

Official File

Los Angeles Times
7/15/74

copy

2335 Norwalk Avenue
 Los Angeles 41, Calif.
 September 12, 1948

198

Berlin Blockade
Missed

President Harry S. Truman,
 1600 Pennsylvania Avenue,
 Washington, D.C.

X144-A-J

Dear Sir:

The so-called "Berlin Crisis" is entirely an outgrowth of your own incredible stupidity. When you attended the Potsdam Conference to arrange final details for the occupation of Germany, it was your duty to look out for American interests and insist upon the establishment of a corridor to the American Zone for ingress and egress to the city. This you failed to do. Possibly this was because you believed Joe Stalin to be a "good old chap," as you expressed it some time ago. But I am inclined to think that you were just too dumb to know that such a corridor was necessary.

In the meantime, you seem to be willing and even eager to force this country into a war with Russia merely for the purpose of "saving face." If you do this, the blame for such a war will rest upon your own shoulders, and the blood of American boys butchered in this war will be on your head.

Read the inclosed article from the Los Angeles Times of September 12, and then perhaps even your feeble mind will grasp the fact that the Berlin Crisis can be solved without dragging the United States into war.

Yours truly,

Philip Johnston
 PHILIP JOHNSTON
K

West Can Pull Out of Berlin Proudly

BY POLYZOIDES

With the current rapid sequence of events in Berlin bordering on the fantastic, there are still a few optimists clinging to the hope that a mutually satisfactory arrangement will eventually be reached between Washington and Moscow. How this will happen and on what terms, nobody so far seems to be able to divulge.

The struggle for supremacy in the ruined German capital continues unabated with the anti-Communist elements in the majority, but with the Communists enjoying the fullest support of the Red army and its Berlin leaders.

AIR LIFT PERILED

After the recent repeated meetings between the three western representatives and Stalin the hope was expressed that the Berlin blockade was about to be lifted. Yet not only the blockade continues but even our air communications between the western zones and the capital are now placed in jeopardy, with the Russians intent upon severing that last link between the American, British and French zones of Western Germany and their Berlin sectors.

At the same time the seizure of the Berlin City Hall by the Communists appears to be only a matter of time, all our protests notwithstanding.

When that happens, as it is most likely, not to say certain, to happen, the position of the western powers will be far more difficult than it is now.

RUSS HOLD TRUMPS

Russia is holding the trump cards in Berlin and will only give in at a price that may prove too high for the westerners to pay. Besides, any bargain that one may strike with Moscow today by grants of credits, shipment of free goods, acceptance of Communist control of Berlin; elimination of all currency except the Russian-sponsored mark from Berlin, can at best be only temporary.

No one expects Stalin to live up to his commitments a month, a week or a day after he has given them. In which case one may well ask, why make the concessions to the Russians in the first place?

This question is more than a diplomatic and political roundabout; it is one of peace and tranquility in Germany and in Europe.

may well prove to be one between war and peace.

Even a most superficial study of the recent activities and attitudes of Russia in Berlin will convince any sensible person that Moscow is staging an intensive effort to drive the western Allies to despair and hence to a declaration of war, in which the Americans, the British and French will be branded the aggressors. This is the sort of trap that Stalin has set for the west and the west should be very careful not to play into Stalin's hands.

This is the eleventh hour of the crisis between the east and west, but it is not too late to take a supreme decision that may not entirely save the faces of Washington, London and Paris, but will save the peace of Europe which is by far the most important. The longer the division of Berlin into four sectors continues and the longer the western Allies remain there as targets of constant humiliations by the Soviet power, the greater the danger of an explosion that will plunge Europe and the world into another conflict.

CAN PULL OUT

The western Allies can pull out of Berlin proudly and with every evidence of dignity and get back to their own zones on the excellent ground that co-operation with Russia is no longer possible. They can then establish their military, economic and political front along their Russian border and meet the Soviets on better than even terms.

When the westerners have made that decision, they should supplement it with the withdrawal of their Ambassadors from Moscow, leaving their Embassies in charge of minor officials for the transaction of routine business alone. At the same time the Soviet Ambassadors shall be told that their presence in Washington, London and Paris is no longer desired.

One might object that such a move will be tantamount to the breaking of diplomatic relations, in which case it is well to be reminded that for all practical purposes such relations between the western powers and Russia have long been nonexistent.

Thus the notion of a four-power control of Berlin or Germany is an end, sparing of further conflict. Stalin has inflicted at his leisure.

198
VWB078 GOVT

Blackade
Berlin
misc.
ALTUS OKLA OCT 27 345P

THE PRESIDENT

THE WHITE HOUSE

NOW IS THE TIME TO ACT WITH REGARD TO REMOVING THE BERLIN BLOCKADE. THE UN DECISION TO SETTLE THIS DISPUTE AS VETOED BY RUSSIA IS FRESH ON THE MINDS OF THE WHOLE WORLD. THE OLD SAYING, "HE WHO HESITATES IS LOST" IS EQUALLY TRUE NOW AS IN TIME OF WAR. LET US AS A NATION LOOK THE ISSUE SQUARELY IN THE FACE AND ACT.

OUR ACCEPTANCE OF THE RUSSIAN VETO TO THE UN PROPOSAL TO SETTLE THE BERLIN BLOCKADE SHOULD END BY TAKING THE NECESSARY STEPS TO MOVE SUPPLIES EITHER BY RAIL OR CONVOY INTO BERLIN. THE PEOPLE OF THIS COUNTRY WILL ENTHUSIASTICALLY RESPOND TO SUCH POSITIVE AND DETERMINED LEADERSHIP.

WE ARE NOT A NATION OF COWARDS. LET US NOT HAVE RUSSIA THINK SO. THE ISSUE MUST BE MET SQUARELY WITH THE SAME DETERMINATION AND COURAGE AS HAD BY THE 300,000 WHO NOW LAY DEAD AS A RESULT OF WORLD WAR II. HAD THEY THE POWER TO

HARRY S. TRUMAN LIBRARY

Official File

DECIDE THIS ISSUE TODAY THE TRUCKS AND TRAINS WOULD ROLL ON TO BERLIN. IS IT NOT OUR DUTY TO THESE DEAD AND TO THE FUTURE OF TOMORROW THAT WE ACT "HEART WITHIN AND GOD OVERHEAD."

PRESTON E PEDEN MEMBER OF CONGRESS..

Official File

*198 Berlin
Blockade
misc.*

The White House
Washington

NOV 18 12 21 AM 1948

WU 0009 NL PD

CD BROOKLYN NY NOV 17 1948

THE PRESIDENT

THE WHITE HOUSE

URGE YOU IMPLEMENT ELECTION PROMISES BY EVATT-LIE PROPOSAL NOW

J FRANK G WEITZNER I SCHILLING H KELLMAN L ROHMER P

PIVKO I BIENSTOCK E INDMAN A STEIN G CHRISTENSON

E METZ G WEISSBERG..

re Berlin blockade

June 29, 1948

Respectfully referred to the
Department of State.

WILLIAM D. HASSETT
Secretary to the President

American Association for a Democratic Germany (and others)
Alfred M. Bingham, Chairman
New York, N.Y.

Telegram to the President, dated 6/25/48.

See attached copy of telegram.

File 7-27-48

July 26, 1948

198

for Mr. Blacklock
miscel.

Dear Mr. Mayor:

Thank you for your telegram of July 17th addressed to the President, with the proposal that the Red Cross be invited, through the United Nations, to aid the people of Berlin. Your concern over the present situation and your constructive proposal for assistance to the German people are appreciated as renewed evidence of the deep humanitarian feelings of the American people toward suffering and distress throughout the world.

x 144 miscel.
x 85-A miscel.

You may be sure that this Government has been giving, and will continue to give, every consideration to all practical measures to relieve the situation in Berlin, and that your proposal is being considered along with others.

Very sincerely yours,

MATTHEW J. CONNELLY
Secretary to the President.

Honorable Michael V. Dicalle,
Mayor of Toledo,
Toledo, Ohio. x

rlk

to State of appropriate consideration by memo 7-26-48

↓

July 26, 1948

MEMORANDUM FOR

HONORABLE GEORGE C. MARSHALL,
The Secretary of State.

x 70

The attached telegram is referred
for your consideration. I have written
Mayor Disalle and attach a copy of my
letter to him.

Thank you.

MATTHEW J. CONNELLY
Secretary to the President.

rlk
Encl.

original of attached copy referred

✓

NATIONAL SECURITY COUNCIL
WASHINGTON

Mr. Klean
Write up
and Refer as suggest-
ed

July 23, 1948

MEMORANDUM FOR MR. CONNELLY:

With respect to the attached telegram to the President from the group in Toledo, which we discussed over the phone this afternoon, I am enclosing a draft reply.

Informal checks with State, Army, and the Red Cross indicate that there may be some merit to the proposal. Therefore, I would suggest that as a separate matter, you forward the telegram, together with a copy of your reply, to State for appropriate consideration.


Sidney W. Souers

x1290

DRAFT REPLY TO TOLEDO TELEGRAM
OF JULY 17, 1948

Thank you for your telegram of July 17 addressed to the President, with the proposal that the Red Cross be invited, through the United Nations, to aid the people of Berlin. Your concern over the present situation and your constructive proposal for assistance to the German people are appreciated as renewed evidence of the deep humanitarian feelings of the American people toward suffering and distress throughout the world.

You may be sure that this Government has been giving, and will continue to give, every consideration to all practical measures to relieve the situation in Berlin, and that your proposal is being considered along with others.

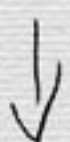
11

July 21, 1948

MEMORANDUM FOR: HONORABLE SIDNEY W. SCUERS
NATIONAL SECURITY COUNCIL

The attached telegram addressed
to the President is being referred for
whatever consideration you may care to
give it.

MATTHEW J. CONNELLY
Secretary to the President



Official File

Copy to the President
The White House

V

WH.WB270 PD

JUL 17 1 42 PM 1948

TOLEDO OHIO JUL 17 1948 1131A

HARRY S TRUMAN, PRESIDENT OF THE UNITED STATES

THE WHITE HOUSE

BECAUSE THE INTERNATIONAL RED CROSS WAS FOUNDED TO ALLEVIATE THE SUFFERINGS OF MANKIND AND TO RENDER AID TO VICTIMS OF DISASTER, AND BECAUSE THE PRESENT SITUATION IN BERLIN IS IN FACT A DISASTER TO THOSE PEOPLE, WE THE UNDERSIGNED ASK AND URGE THAT THE RED CROSS BE INVITED, THROUGH THE UNITED NATIONS, TO DISPATCH PLAINLY MARKED VEHICLES AT ONCE TO THE

↓

STRICKEN AREA WITH FOOD, FUEL AND OTHER NECESSITIES OF LIFE, THAT THIS UNARMED CONVOY BE HEADED BY ENGINEERS EQUIPPED TO REBUILD ROADS, BRIDGES, AND TO OVERCOME LIKE PHYSICAL OBSTACLES, THAT THE FORMATION OF THIS CONVOY, ITS PURPOSES AND ITS PROGRESS BE GIVEN THE WIDEST POSSIBLE PUBLICITY IN WORLD PRESS, RADIO, AND NEWSREELS, AND THAT SUCH REGULAR MOTOR CONVOYS BE MAINTAINED SO LONG AS THE THREAT OF FAMINE PERSISTS IN BERLIN. THIS NATION WILL THUS HAVE EXPLORED THE FINAL AVENUE IN THE SERVICE OF HUMANITY WITHOUT RESORT TO FORCE OR RISK OF BLOODSHED. TO AVOID POSSIBLE COMPLICATIONS



TO YOUR CURRENT NEGOTIATIONS. WE ARE OF COURSE GIVING NO
PUBLICITY TO THIS TELEGRAM OR ITS CONCEPT

MICHAEL V DISALLE MAYOR OF TOLEDO GROVE PATTERSON x

EDITOR-IN-CHIEF x TOLEDO BLADE MOST REVEREND KARL J

ALTER DD BISHOP OF TOLEDO PAUL H RUTSONG PRESIDENT x

x TOLEDO COUNCIL OF CHURCHES RABBI LEON I FEUER WILLIAM AKOS x

x PRESIDENT LOCAL 9 FEDERATION OF GLASS CERAMIC & SILICA SAND

WORKERS OF AMERICA CIO WILLIAM F STURM REGIONAL DIRECTOR x

AMERICAN FEDERATION OF LABOR JOHN D BIGGERS PRESIDENT

LIBBEY OWENS FORD GLASS CO. x 142 x

July 21, 1948

198
B. L. Bland
Miami

Respectfully referred to the
Secretary of the Army.

MATTHEW J. CONNELLY
Secretary to the President

(Letter to President dated 7/2/48 from:

mhs

Mr. R. M. Crawford,
President, ^x
Greater Miami Aviation Association,
x 1034 DuPont Building,
Miami, Florida.

Enclosing copy of resolution adopted by the Association asking USA not
recede from presently indicated stand to continue occupation of its
sector of Berlin by maintaining an adequate line of supply, by air, if
necessary, to assure our forces remaining in the subject area.

Memo to Secretary Connelly dated 7/8/48 from:

Honorable Claude Pepper,
United States Senate,
Washington, D. C.

Submitting copy of above-mentioned resolution and asking the Senator to
see Pres' personal atten called thereto.)

X

198
Berlin Blockade
manual

SIR:

REPORTS DO NOT INDICATE LACK OF MODERN EQUIPMENT TO QUELL RIOTS IN BERLIN (TEAR GAS & ACCESSORIES) IN ORDER TO PROTECT THE LIVES OF UNITED NATIONS PERSONNEL, COOPERATING CITIZENS, FOR THE BETTERMENT OF THE GROWTH OF DEMOCRACY IMPLANTED IN US AND OTHER NATION'S ZONES BY DEMOCRATIC ACTION.

SUCH DEMOCRATIC ACTION IS BEING PAID FOR SO DEARLY BY AMERICANS THAT I CANNOT BUT HELP CALL THIS IMPORTANT MATTER TO YOUR ATTENTION.

POLITICS OR NO POLITICS YOU MUST ACT

R C JEFFERIS

CC SECRETARY FOR THE PRESIDENT X
SECRETARY FOR THE DEFENSE
SECRETARY FOR THE STATE
COMMANDING OFFICER BERLIN AREA CARE SEC'Y DEFENSE
SENATE INVESTIGATION COMMITTEE FOR PREVENTION OF
WARS BY DEFENSE ACTIONS

SEPTEMBER 6, 1948

Filed by
Mr. Hoff
7/6/48.

July 2, 1948

198
Berlin Blockade
Misc.

Dear Mr. Woll:

I appreciated very much your
letter of June thirtieth and I am glad to have
your views on the situation in Germany.

Sincerely yours,

HARRY S. TRUMAN

Mr. Matthew Woll x142
Chairman xPP7199
International Labor Relations Department
Free Trade Union Committee
American Federation of Labor
570 Lexington Avenue
New York, New York

x198-Misc.
x220-Misc.
x263-Misc.



AMERICAN FEDERATION OF LABOR

Executive Council

President, WILLIAM GREEN
Secretary-Treasurer, GEORGE MEANY
A. F. of L. Building, Washington, D. C.

First Council Member, WILLIAM L. RYANSON,
Corporation Bldg., Indianapolis, Ind.
Second Council Member, HATFIELD WALL,
875 Lexington Ave., New York, N. Y.
Third Council Member, JOSEPH H. WESS,
551 Alta Drive, Beverly Hills, Los Angeles, Calif.
Fourth Council Member, GAIL M. RABINSON,
Railway Clerks' Bldg., Cincinnati, O.
Fifth Council Member, DANIEL J. TERRY,
222 East Michigan St., Indianapolis, Ind.
Sixth Council Member, HARRY G. ROSS,
214 Fifteenth St., N. W., Washington, D. C.

Seventh Council Member, W. D. MARSH,
Post Office Box 817, Hollywood, Fla.
Eighth Council Member, W. C. BERNARD,
Deleware at Twelfth Street, Indianapolis, Ind.
Ninth Council Member, W. C. DUNN,
408 A. F. of L. Bldg., Washington, D. C.
Tenth Council Member, JAMES DUNN,
1710 Broadway, New York, N. Y.
Eleventh Council Member, CHARLES J. HADLEY,
804 Brotherhood Bldg., Kansas City, Mo.
Twelfth Council Member, BENJAMIN WATSON,
2129 N. W. Ave., Chicago, Ill.

Thirteenth Council Member, D. W. TRACY,
1209 Fifteenth St., N. W., Washington, D. C.

SECOND COUNCIL MEMBER

New York, N. Y.

June 30, 1948

The Honorable Harry S. Truman,
President of the United States,
The White House
Washington, D. C.

Sir:

As you know, it is my responsibility for the American Federation of Labor to follow international developments. I feel very deeply the crucial importance of allowing no weakness to develop in our handling of the "siege" of Berlin by the U.S.S.R. The immediate future of Germany and Western Europe depends upon sure firmness in maintaining our policy which alone can assure freedom of the people concerned, and continuity in their way of life.

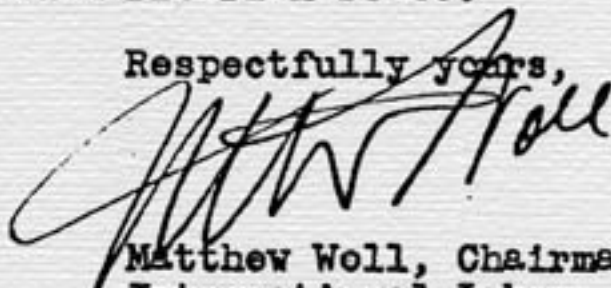
Any wavering by the United States will be seized upon by Eastern Europe as a sign that we do not intend to stand by those European nations which are willing to insist upon democratic institutions, and that Communist aggression may be extended with impunity. The people of Central Europe understand all too well that the Communists are watching for evidences of weakening to determine how far they dare move now. They, too, are watching for a sign to tell them whether they dare resist. Appeasement at Berlin will work out identically with appeasement at Munich--but in quicker time.

The feeling in the United States, as I learn it from trade unionists, is deeply resentful of the

ruthless aggression by which Communist control has been extended, and fearful of the treachery which has deprived individuals and nations of the rights which give life dignity and purpose.

We know only too well that Communist desire for domination will not stop at either ocean. We urge firmness, now, before the tide of conflict reaches our own country. With all the intensity I possess, Mr. President, I urge you to strengthen our stand at Berlin and make obvious that we will not be bullied or beguiled into compromises with dictatorship and the authoritarian state.

Respectfully yours,

A large, stylized handwritten signature in dark ink, appearing to read 'Matthew Woll', is written over the typed name and title.

Matthew Woll, Chairman
International Labor
Relations Department,
Free Trade Union Committee,
American Federation of Labor

MW:MMcS

October 22, 1948

198
Berlin Blockade
Minned

My dear Mr. Scott:

Your letter of October thirteenth to the President has been received, and I do want to assure you that your interest in writing is appreciated. It will indeed be helpful to him to have the benefit of this expression on the part of the national affairs committee of the Long Beach Chamber of Commerce.

Very sincerely yours,

MATTHEW J. CONNELLY
Secretary to the President

Mr. C. E. Scott,
President,
Long Beach Chamber of Commerce, /
Long Beach 2,
California.

elb

LONG BEACH CHAMBER OF COMMERCE

Long Beach 2, California

October 13, 1948

OFFICE OF THE PRESIDENT

ack'd
10/13/48
ell

Dear President Truman:

Our national affairs committee has given much of its attention to the present international situation. That committee urged and our Board of Directors on October 11 approved a motion placing our Chamber of Commerce on record as backing the federal government in its decision to take a strong stand in the present Berlin and German crisis.

We recommend that the United States not retreat from Berlin in the face of Russian threats since such retreat would ultimately throw all of western Europe into the Russian sphere of influence. It is also recommended that the federal government continue its present practice of using all reasonable diplomatic means possible to avoid war.

We hope this expression of opinion will be of value to you and we are forwarding similar letters to our congressional representatives and to the Secretary of State.

Respectfully,

C. E. Scott

C. E. Scott, President

The Honorable Harry S. Truman
President of the United States
The White House
Washington, D. C.

CES:mo

TWB021 DL PD

Aug 13 3 11 PM '48

CLEARFIELD PENN AUG 18 1948 1155A

PRESIDENT HARRY S TRUMAN

THE WHITE HOUSE

MR MARSHALL IS RESPONSIBLE FOR THE CONDITION WE ARE IN WITH

RUSSIA ^{220 missul} WE JUMPED UP IN DECEMBER IN LONDON AND CAME HOME AFTER

THAT THE UNDER-SECRETARIES HAD A MEETING WITH RUSSIA AND

RUSSIA REDUCED HER CLAIM ON AUSTRIA ONE HALF. ROOSEVELT

ASKED RUSSIA TO COME INTO THE WAR WITH US AGAINST JAPAN.

FRANCE ENGLAND AND AMERICA SHOULD SIT DOWN WITH RUSSIA AND

The Atlantic
Chapel Hill

198
Berlin Blockade
missul J

WORK OUT THE SITUATION IN REGARD TO TURNING BACK OF
GERMANY TO THE PEOPLE, IF YOU DO NOT AGREE THEY SHOULD
ADJOURN AND SET A DATE TO MEET AGAIN THEN IF THEY DO NOT
AGREE ADJOURN AND MEET AGAIN IN SIX MONTHS OR A YEAR BUT
ALWAYS HAVE A DATE TO MEET AGAIN ENGLAND FRANCE AND AMERICA
SHOULD STAY IN GERMANY. IT MAY TAKE TWO OR THREE YEARS TO
COMPLETE THE AGREEMENT GET THIS MESSAGE TO PRESIDENT
TRUMAN AT ONCE

A K WRIGHT.

THE WHITE HOUSE

SEP 13 8 30 AM '48 September 11, 1948

RECEIVED

Hon. Harry S. Truman
The White House
Washington, D.C.

Dear President Truman:

This letter is not being written for publicity and will not be released at any time. I am writing because I want to tell you that I appreciate the firmness and patience with which the governments of the United States and the other Western nations have been conducting the negotiations about Berlin, and because I want to bring to your attention some remarks I shall deliver tonight at a dinner honoring Luigi Antonini, Vice-President of the International Ladies' Garment Workers Union.

In my talk I shall propose that the American government put before the Paris United Nations General Assembly the actions, in Berlin and elsewhere, by which the Soviet dictatorship menaces the peace of the world. I believe the Kremlin's actions fall within the provisions of paragraph 2 of Article II concerning the functions of the General Assembly.

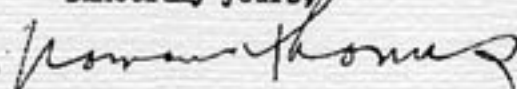
I shall also suggest that the State Department confer with all presidential candidates about referring the Berlin crisis to the United Nations so that - as far as possible - our critical relations with the Soviet Union may be taken out of the realm of campaign politics.

Such a conference would put Henry Wallace on the spot. If he did not go along, he would be even more isolated, and less harmful to the United States, than he is now. If he goes along, it will make things more difficult for Stalin.

In either case, it would demonstrate the essential unity of all American non-Communist opinion against Soviet aggression and would strengthen the chances of maintaining world peace.

I should appreciate hearing from you on your opinion concerning this proposal.

Sincerely yours,



Norman Thomas

Official File

Norman Thomas for President

Fucker P. Smith for Vice-President



William Becker, Campaign Manager

Harry Fleischman, National Secretary

SOCIALIST PARTY CAMPAIGN HEADQUARTERS

303 FOURTH AVENUE

NEW YORK 10, N. Y.

TELEPHONE GRAMERCY 3-4286

For Release papers SUNDAY, SEPTEMBER 12
MONDAY, SEPTEMBER 13

THOMAS URGES ALL NOMINEES MEET WITH STATE DEPARTMENT ON BERLIN CRISIS

Speaking at a dinner at the Hotel Commodore in honor of Luigi Antonini, first-vice president of the International Ladies Garment Workers Union, Socialist presidential candidate Norman Thomas called upon the State Department to confer with all presidential candidates on the Berlin crisis to take America's critical relations with the Soviet Union "out of the realm of campaign politics."

Thomas urged that the actions in Berlin "by which the Soviet dictatorship definitely menaces the peace of the world" be referred by the United States to the United Nations General Assembly in Paris.

He added that, in such a conference, "even Henry Wallace might be made to face facts and recognize that he jeopardizes the peace he professes to serve by his apologies for Soviet cruelty and bad faith, and his trust in a policy of blind appeasement of Stalin."

Declaring that Stalin counts on "world weariness of war and American recognition that we could not afford the costs of victory in a world ruined by atomic warfare" Thomas proposed demonstrating to the Kremlin "a high degree of unity of world opinion "against Communist tactics of "violence and deceit."

Thomas insisted that "the most likely alternative either to war" or to appeasement that would only postpone war "lies through the United Nations."

Partial text of Mr. Thomas' remarks follows:

"Because Luigi Antonini, Local 89, and the whole International Ladies Garment Workers Union have played so honorable a part in constructive policies in support of democracy and peace in Europe, I think this a suitable occasion to make a proposal of great importance. It is this:

"We urge the American Government to put before the General Assembly of the United Nations at its meeting in Paris the whole complicated set of actions in Berlin and elsewhere by which the Soviet dictatorship definitely menaces the peace of the world. Certainly the actions of the Kremlin fall definitely within the provisions of paragraph 2 of Article II concerning the functions of the General Assembly.

"There is small doubt that in the present war of nerves the Kremlin counts heavily on the fact that this is a campaign year. It doubtless over-estimates the influence of Henry Wallace.

"I therefore urge that in support of this reference of a critical situation to the General Assembly, the State Department should seek conference with presidential candidates in order that - as far as possible - our critical relations with the Soviet Union should be taken out of the realm of campaign politics. In such a conference even Henry Wallace might be made to face facts and recognize that he jeopardizes the peace he professes to serve by his apologies for Soviet cruelty and bad faith, and his trust in a policy of blind appeasement of Stalin such as, between the years 1943 and 1946, did so much to create the present crisis.

"I am well aware how limited is the power of the General Assembly, yet I think its influence might be decisive. I do not believe that it is Stalin's present policy to bring on total war or even Russian expulsion from the United Nations. He is playing an extraordinarily dangerous game in a war of nerves in an effort to frustrate the Marshall Plan and any true recovery in Europe.

"He counts on world weariness of war and American recognition that we could not afford the costs of victory in a world ruined by atomic warfare. Our next step obviously should be to demonstrate to the Kremlin a high degree of unity of world opinion against the tactics of violence and deceit which are the Communists' stock in trade.

"So far the Western nations have conducted negotiations about Berlin with firmness and patience. But winter approaches and some settlement is imperative. By all means the next thing to try, the most likely alternative either to war or to a policy of appeasement that would only postpone war, lies through the United Nations. And this great appeal for a peace resting on some exercise of elementary decency should clearly have the support of all candidates irrespective of party. Labor unions and other civic and religious bodies should push this idea."

79/20/48.

198

Berlin Blockade

September 14, 1948

My dear Mr. Thomas:

I read your letter of September eleventh with a great deal of interest and I appreciate very much your writing me about the situation in Berlin.

Every step possible to maintain peace will be taken in regard to the settlement of this matter. I am still hopeful that a peaceful settlement can be reached.

x394

I certainly appreciate your interest in the matter and thank you for writing me about it.

Sincerely yours,

HARRY S. TRUMAN

Honorable Norman Thomas
303 Fourth Avenue
New York 10, New York

x ben
rpp73368

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its desired character is indicated by a suitable symbol above or preceding the address.

7/10/48
WESTERN UNION (57)
 22 PM 2 57

JOSEPH L. EGAN
 PRESIDENT

SYMBOLS

DL=Day Letter
 NL=Night Letter
 EC=Deferred Cable
 NLT=Cable Night Letter
 Ship Radiogram

The time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LDO14 PD=SACRAMENTO CALIF 22 250P=

HARRY S TRUMAN=

ADOARD PRESIDENTIAL SPECIAL DUE AT 414P

SACRAMENTO CALIF=

MR PRESIDENT FOR HOW LONG A TIME MUST THE PEOPLE OF AMERICA DEPEND ON HYSTERICAL COMMENTATORS FOR INFORMATION ON A QUESTION AS VITAL AS THE BERLIN CRISIS. THE PEOPLE OF AMERICA ARE LOOKING TO YOU FOR THE ANSWER TO THE QUESTION THAT IS UPPERMOST IN THERE MINDS DOES PEACE OR WAR HINGE ON WHAT HAPPENS IN BERLIN=

RICHARD MINASIAN=

THIS COMPANY WILL AFFRANCHISE NOTIFICATIONS FROM ITS PAYMENTS CONCERNING ITS SERVICE

198
Berlin Blockade
Minsch
Filed
3-10-49
23 September 1948
Hohel
WTC

THE WHITE HOUSE
WASHINGTON

Dear Matt:

The President had told me to report to him anything of special interest after my return from Berlin. There was nothing that I saw that he should know immediately. There were several items of interest which I have discussed with Admiral Leahy, and he agrees that I should prepare a memorandum on these items to give to the President, and perhaps talk it over with him, with Admiral Leahy, upon his return. Would you kindly mention this to the President?

The trip was a very interesting one, particularly in view of the fact that it has been three years since I had been in Berlin, because of the air lift operation, and because of the very critical situation existing there now.

Just before leaving Frankfurt, I ran across Ginny Lee, who said she was an old friend of yours and who was returning to the States. She wanted to be remembered to you.

It looks like the President is really making hay on his trip, and the dyed-in-the-wool Republican newspapers are having one hell of a time not reporting the success of this campaigning and favorable public reaction.

See you soon, and I hope the tour continues to be such a great success.

Sincerely,

Bob
R. G. LANDRY
Colonel, U. S. Air Force

x50-B

Mr. Matthew J. Connelly
Aboard Presidential Train

230 Statement by the President Following General
Marshall's Return From Paris. *October 9, 1948*

GENERAL MARSHALL has returned to Washington at my request to report to me on the progress of the work of the various United Nations bodies in Paris. I had a long talk with him this morning, and again this afternoon. He gave me a detailed picture of what has been taking place in Paris, and we discussed questions relating to the future course of this Government in the various matters at issue.

With regard to the report published in this morning's press concerning a possible journey of Chief Justice Vinson to Moscow, the facts are as follows: On last Tuesday, when I communicated with Secretary Marshall, I told him of my continuing great desire to see peace firmly established in the world, and of my particular concern at this time over the attitude taken by the Soviet representatives regarding the atomic prob-

lem. I said that I was wondering whether their attitude did not reflect a misunderstanding in the minds of the Soviet leaders so serious, from the standpoint of world peace in general, that we would be remiss if we left undone anything that might conceivably serve to dispel it. I asked the Secretary whether he felt that a useful purpose would be served by sending to Moscow Chief Justice Vinson, in an effort to make the Soviet leaders understand the seriousness and sincerity of the feelings of the people of the United States about these matters. Secretary Marshall described to me the situation which we faced in Paris, and, in the light of his report and the possibilities of misunderstanding to which any unilateral action, however desirable otherwise, could lead at present, I decided not to take this step.

My talk with Secretary Marshall has been

Harry S. Truman, 1948

Oct. 11 [231]

gratifying to me. I was glad to hear his report of the unity which has prevailed between ourselves and the French and British representatives in Paris in all phases of the handling of the Berlin crisis, and of the earnest efforts being made by the Security Council and the General Assembly of the United Nations to find solutions to many of

the other problems which have been troubling people everywhere. I was glad to be able to assure him of the determination with which people in this country are supporting our efforts to find the road to peace.

NOTE: A statement by Secretary Marshall following his meeting with the President is printed in the Department of State Bulletin (vol. 19, p. 483).

198
Berlin Blockade

IMMEDIATE RELEASE

OCTOBER 9, 1948

STATEMENT BY THE PRESIDENT

General Marshall has returned to Washington at my request to report to me on the progress of the work of the various United Nations bodies in Paris. I had a long talk with him this morning, and again this afternoon. He gave me a detailed picture of what has been taking place in Paris, and we discussed questions relating to the future course of this Government in the various matters at issue.

With regard to the report published in this morning's press concerning a possible journey of Chief Justice Vinson to Moscow, the facts are as follows: On last Tuesday, when I communicated with Secretary Marshall, I told him of my continuing great desire to see peace firmly established in the world, and of my particular concern at this time over the attitude taken by the Soviet representatives regarding the atomic problem. I said that I was wondering whether their attitude did not reflect a misunderstanding in the minds of the Soviet leaders so serious, from the standpoint of world peace in general, that we would be remiss if we left undone anything that might conceivably serve to dispel it. I asked the Secretary whether he felt that a useful purpose would be served by sending to Moscow Chief Justice Vinson, in an effort to make the Soviet leaders understand the seriousness and sincerity of the feelings of the people of the United States about these matters. Secretary Marshall described to me the situation which we faced in Paris, and, in the light of his report and the possibilities of misunderstanding to which any unilateral action, however desirable otherwise, could lead at present, I decided not to take this step.

My talk with Secretary Marshall has been gratifying to me. I was glad to hear his report of the unity which has prevailed between ourselves and the French and British representatives in Paris in all phases of the handling of the Berlin crisis, and of the earnest efforts being made by the Security Council and the General Assembly of the United Nations to find solutions to men, of the other problems which have been troubling people everywhere. I was glad to be able to assure him of the determination with which people in this country are supporting our efforts to find the road to peace.

original in PPT 1-7

7
UB548 NL PD

WARREN OHIO OCT 11 1948

OCT 11 11 54 AM 1948

THE PRESIDENT

THE WHITE HOUSE

OHIO PROGRESSIVE PARTY WARREN OHIO REQUESTS THAT YOU MAKE
EVERY EFFORT TO NEGOTIATE THE ^{X441} BERLIN PROBLEM WITH THE
SOVIET UNION

P. H. WOLFE RD. 5 WARREN OHIO.

225

MEMORANDUM FOR THE PRESIDENT

From: W. Hassett

October 13, 1948

198

Berlin Blockade

Sent memorandum to President stating that Sec. Snyder phoned to request that attached article by Tom Stokes appearing in October 13 issue of Washington Daily News be called to President's attention. Article stating that President's mistake was not in idea of sending Chief Justice Fred M. Vinson on mission to Russia, but in failing to go thru with it.

*re Germany

SEE: ESO Vinson Mission

CROSS REFERENCE SHEET

Name: MEMORANDUM

Organization:

Address:

Date: October 21, 1948

198
Berlin Blockade

Regarding: Stating Mr. Ayers announced the following: The President today authorized General Lucius Clay to draw up to 66 additional C-54 type aircraft for service in connection with the Berlin airlift. —On 12/17/48, Stephen F. Leo, Department of the Air Force sent memo to Col. Landry attaching draft of Christmas message—On 12/18/48, Col. Landry sent memo to Mr. Leo attaching revised message approved by the White House and is suggested for a SCROLL to be prepared by the Air Force for the President's signature by Dec. 20.—The message, dated 12/21/48 signed by the President, to the Men and Women of the Berlin Airlift—stating this visit to Germany by Vice President elect Barkley gives him ideal opportunity to express to them his appreciation of their outstanding service. Says the Berlin airlift, under the direction of our Air Force is an achievement of historic and far-reaching significance, by the joint efforts of our Army, Navy and Air Force together with the forces of Great Britain and France. It expresses the unity of the western nations in the cause of peace. Says OPERATION VITLES has assured the world of our faith in our ideals and at this Christmas Season the American people are thinking of them and their loved ones and wishes for them a very Merry Christmas.

See: PFF 1920

Official File

ebf

DAHANUKAR, M. L.,
Sheriff of Bombay,
India
Nov. 4, 1948

198 mic

Berlin Blockade

Cabled the President congratulating him on the election and prays for lasting peace under his leadership. —On 11/8/48 Mr. Hopkins referred cable to Mr. Blair, State Dept., for appropriate handling. —On 12/15/48 Mr. Woodward sent memo to Mr. Hopkins enclosing copy of despatch dated 11/6/48 from Clare H. Tickerlake, American Consulate General at Bombay, India, copy of letter from Mr. Dahanukar expressing congratulations to the President and a statement for release to press re hoping that Russia will cooperate in settling the question of the Berlin Blockade for lasting peace and a copy of above cable which was sent directly to the White House. States American Consul has been requested to make suitable acknowledgment of letter.

See - PPF 200-Election congrats "D"

ASSOCIATED ENGINEERS, INC.

MANAGEMENT CONSULTANTS
ENGINEERING • ACCOUNTING
ORGANIZATION • METHODS • COSTS
ARCHITECTURE

FORT WAYNE 2, INDIANA

230 EAST BERRY STREET

JOSEPH C. LEWIS
PRESIDENT

November 10, 1948

Honorable Harry S. Truman
The White House
Washington, D. C.

My dear President Truman:

The writer like many other citizens of the United States would like to have definite action in matters that pertain to Berlin. There is no question in my mind but what you know more about it than any other man in America. However, you probably would like to know about the feelings and thoughts of others. Therefore, I am suggesting that you, as President of the United States, delegate General MacArthur as your representative to handle the affairs in the Reich.

Our great General has demonstrated his ability to handle Joe Stalin in Japan. He has an excellent staff there to carry out his program. Why not let him set up a program similar to this in the Reich to handle the situation.

I wish to congratulate you on your recent campaign and your successful conclusion of that job.

Sincerely yours,

Joseph C. Lewis
Joseph C. Lewis

*9P7 J.C.L.
Elect. Signal
L*

JCL:LB

198
Berlin Blockade
UN3 358 VIA RCA

PARIS UNATIONS 1640 NOV 13 1948

THE PRESIDENT

WHITEHOUSE WASHINGTON

THE SECRETARY - GENERAL AND I ARE HANDING TO THE CHAIRMAN
OF YOUR DELEGATION AT THE THIRD REGULAR SESSION OF THE UNITED NATIONS
GENERAL ASSEMBLY, FOR TRANSMITTAL TO YOU, A COMMUNICATION URGING
IMPLEMENTATION OF THE RESOLUTION OF THE GENERAL ASSEMBLY UNANIMOUSLY
ADOPTED ON 3 NOVEMBER 1948 ENTITLED APPEAL TO THE GREAT POWERS
TO RENEW THEIR EFFORTS TO COMPOSE THEIR DIFFERENCES AND ESTABLISH

x394
x85-j
CONSIDERATION OF THIS COMMUNICATION WITH SPECIAL AND IMMEDIATE REFERENCE
TO THE BERLIN CRISIS, THE CONTINUANCE OF
WHICH HAS BEEN AND STILL IS AN ACTIVE OBSTRUCTION TO THE WORK OF
THE GENERAL ASSEMBLY . INDEED THE BERLIN DISPUTE IS SEEPING INTO
THE VERY STRUCTURE OF THIS ORGANISATION . THERE ARE , OF COURSE,
A NUMBER OF WAYS IN WHICH THIS DISPUTE MAY BE SETTLED . THE
RECENT SECURITY COUNCIL PROCEEDINGS NEARLY RESULTED IN THE SETTLEMENT
WHICH WAS PRECEDED BY NEGOTIATION . THEREFORE THE MATTER MIGHT
AGAIN COME BEFORE THE SECURITY COUNCIL . ALTERNATIVELY YOU MIGHT

CONSIDER THAT OTHER AND MORE DIRECT METHODS OF FOUR - POWER
NEGOTIATION MIGHT WELL BE TRIED WITH REGARD TO THE OVERWHELMING
NECESSITY OF SETTLING NOT ONLY THE BERLIN DISPUTE , BUT THE PEACE
ITSELF . I HAVE ALWAYS TAKEN THE VIEW THAT A MUCH CLOSER ASSOCIATION
WITH THE GREAT POWERS OF OTHER NATIONS THAT DURING THE WAR CONTRIBUTED
MEN AND MATERIAL UNSTINTINGLY TO THE COMMON CAUSE AGAINST THE COMMON
ENEMY WOULD HAVE ASSISTED THE COUNCIL OF FOREIGN MINISTERS AND
FACILITATED THE MAKING OF THE PEACE . FINALLY THERE IS THE IMPORTANT
QUESTION OF PERSONAL CONTACT , PERSONAL TRUST AND PERSONAL CONFIDENCE
AND COMRADESHIP BETWEEN THE LEADERS OF THE GREAT POWERS . I WANT

TO ASSURE YOU THAT THE SECRETARY - GENERAL
AND I WILL BE ENTIRELY AT YOUR SERVICE AND DISPOSAL IN ANY POSITIVE
STEPS YOU MAY THINK WOULD BE HELPFUL . OUR SINGLE DESIRE IS TO
FORWARD THE PURPOSES AND PRINCIPLES OF THE UNITED NATIONS ,
WHICH THE PEOPLES OF THE WORLD INTENSELY DESIRE TO SEE TRANSLATED
INTO ACTION .

HERBERT V EVATT PRESIDENT OF THE GENERAL ASSEMBLY

STIX, BAER AND FULLER
St. Louis 1, Missouri

EXECUTIVE OFFICES

THE WHITE HOUSE
DEC 8 8 42 AM '48
December 4, 1948
RECEIVED

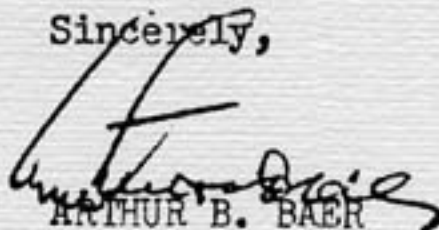
Dear President Truman:

Like every American I have been watching the Berlin situation with great concern. A thought occurs to me in connection with it, which I am passing on to you in all humility. You have hundreds of experts on the job far more capable than I, who may have had the same thought and discarded it for excellent reasons. Yet, on the off chance that it has not been considered I am prompted to make this suggestion.

Might it not be possible to reconcile the Berlin situation by having the United Nations take both Russia and the United States out of this highly controverseal area, and bring in several of the smaller nations to govern it?

I do not want to seem presumptuous in making this suggestion but because it seems to me to have a germ of possibility I feel that I must pass it along.

Sincerely,



ARTHUR B. BAER

ABB:jm

Honorable Harry S. Truman

7 12/20/48

December 17, 1948

198
Berlin
Blockade
Miscel.

Dear Mr. Baer:

Please accept the President's thanks for your letter of December fourth. He greatly appreciates having this thoughtful expression of your views regarding foreign relations.

Very sincerely yours,

WILLIAM D. HASSETT
Secretary to the President

Mr. Arthur B. Baer,
Stix, Baer and Fuller, X
St. Louis 1, Missouri.

wh-aw

DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

TC NO. 8936
T-36
Spanish

AAC-64 VIA ALL AMERICA

MAY 14, 1949, 10:12 A.M.

BUENOS AIRES 115 ARGENTINE GOVT MAY 14 1949 9:28 A.M.

HIS EXCELLENCY HARRY S. TRUMAN
PRESIDENT OF THE UNITED STATES OF AMERICA
WASHINGTON, D.C.

I HEARTILY THANK YOUR EXCELLENCY FOR THE EXPRESSIONS
WITH WHICH YOU RECALLED THE ACTS WHICH I HAD THE HONOR TO
ACCOMPLISH IN THE SECURITY COUNCIL OF THE UNITED NATIONS IN
ACCORDANCE WITH THE DIRECTIVES OF THE ARGENTINE GOVERNMENT
ON BEHALF OF THE SOLUTION OF THE PROBLEM OF BERLIN. FOR THE
SUCCESS NOW ACHIEVED ON SOLVING THAT QUESTION AND FOR THE
DECISIVE PARTICIPATION WHICH YOUR GREAT COUNTRY HAS HAD IN THIS
EVENT, WHICH STRENGTHENS WORLD SECURITY, I CONGRATULATE YOUR
EXCELLENCY AND I RENEW THE ASSURANCES OF MY HIGHEST AND MOST
DISTINGUISHED CONSIDERATION

✓85-7

JUAN ATILIO BRAMUGLIA
MINISTER OF FOREIGN AFFAIRS OF THE
ARGENTINE REPUBLIC

x



The White House
May 16 1949
Washington

AAC-64 VIA ALL AMERICA

1949 MAY 14 AM 10 12

BAIRES 115 ARGENTINE GOVT MAY 14 1949 928AM

AL EXCMO SR PRESIDENTE DE LOS ESTADOS UNIDOS DE AMERICA HARRY S TRUMAN
WASHNDC

AGRADEZCO VIVAMENTE A VUESTRA EXCELENCIA LAS EXPRESIONES CON
QUE HA RECORDADO LAS GESTIONES QUE EL HONOR DE CUMPLIR EN EL
CONSEJO DE SEGURIDAD DE LAS NACIONES UNIDAS DE ACUERDO CON LAS
DIRECTIVAS DEL GOBIERNO ARGENTIN

EN FAVOR DE LA SOLUCION DEL PROBLEMA DE BERLIN POR EL EXITO AHORA
ALCANZADO AL RESOLVER ESA CUESTION Y POR LA DECIDIDA
PARTICIPACION QUE HA CORRESPONDIDO A VUESTRO GRAN PAIS
EN ESTE SUCESO QUE AFIANZA LA SEGURIDAD MUNDIAL EXPRESO A
VUESTRA EXCELENCIA MIS FELICITACIONES REITERANDO LAS SEGURIDADES
DE MI CONSIDERACION MAS ALTA Y DISTINGUISA

JUAN ATILIO BRAMUGLIA MINISTRO DE RELACIONES EXTERIORES
DE LA REPUBLIC ARGENTINA

~~TOP SECRET~~

(rough draft)

THE BERLIN CRISIS

Research Project No. 171

Foreign Policy Studies Branch
Division of Historical Policy Research
Department of State

~~TOP SECRET~~

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 3(D) or (E)

Dep. of State letter, ⁷⁻¹⁵⁻⁷⁵ Aug. 7, 1973

By NLT-/rc : NARS Date 11-24-75

Origin of the Crisis

The military forces of the United States occupied a sector of the city of Berlin in 1945 under arrangements concluded among the Allied Powers in the European Advisory Commission before the end of the hostilities in Europe.¹ At the time of Germany's capitulation, letters were exchanged between Marshal Stalin and President Truman, in compliance with which the actual occupation of Berlin was carried out.² United States forces which had advanced into territory assigned to the Soviet Zone in Germany were withdrawn into the American Zone previously agreed upon, or moved into the American sector of Berlin. Because Berlin was entirely surrounded by territory of the Soviet Zone of Germany, it was necessary to arrange for the supply of the American garrison in Berlin from the American Zone of Germany, and for other Berlin-Western Zone communications. The initial arrangements to this end, tentatively agreed upon in conferences among the military representatives of the United States, the United Kingdom, and the Soviet Union, provided that American and British forces were to have the use of one railway and one highway from Magdeburg to Berlin.³ Subsequent agreements reached in the Allied Control Council established an air corridor to Berlin twenty miles wide, to be open to flights by American and British planes. They also defined the amount of rail traffic to Berlin necessary to support the military and civilian needs of the Western Powers.⁴ These various arrangements, together with the Truman-Stalin

1. Docs. 1 and 2.
2. Doc. 21.
3. Doc. 8.
4. Docs. 3 and 4.

exchange already mentioned, formed the legal basis for the American right of free access by land, air and water to Berlin.

In early 1948, however, Soviet authorities began to disrupt the flow of traffic over the agreed road and rail routes. At first the hindrances were not formal or extensive, but they had considerable nuisance value.¹ On March 31, 1948, the Deputy Chief of the Soviet Military Administration in Germany notified the American authorities of certain "Supplementary Provisions" of the control regime which were to be put into effect the next day. Under the new regime, identification papers and proof of affiliation with an American military agency were to be demanded of all civilian and military personnel seeking to enter or leave Berlin by surface transport. Freight being sent out of Berlin would be cleared only on the presentation of a permit issued by the Soviet Commandant of Berlin, while freight from the Western Zones entering the Soviet Zone would be cleared on the basis of accompanying documents. All belongings of individuals would be subject to inspection at Soviet control points.² The American military authorities replied that these restrictions were inconsistent with the agreement under which United States forces occupied their sector of Berlin. They would be willing to provide the Soviet Military Administration with passenger lists of trains, and cargo manifests for freight trains, but would not permit American military trains to be inspected by Soviet authorities, although the Soviet right to

1. For a chronology of the restrictive measures see Doc. 5.

2. Doc. 6.

check the identification of persons traveling by automobile was admitted.¹ Certain other restrictions were also imposed, including the closing of the aid station on the Berlin-Helmstedt highway and the removal of the U.S. Signal Corps personnel employed in the maintenance of the telephone repeater station at Weimar.²

On April 3, 1948, a further Soviet communication denied the right of the United States to "Free and unrestricted use of the established corridors", suggested that the control measures would preserve peace and order, and stated that such control measures were merely "an internal matter which concerns the occupation authorities of the Soviet Zone."³ The American reply restated the basis of the United States occupation and included a suggestion of retaliation or "counter-measures".⁴ During the following weeks the Soviet blockade measures were sufficiently effective to diminish east-west traffic seriously and to eliminate military passenger traffic.⁵ An "airlift" was therefore started to supplement the supply of essential foods and materials for the military and civilian population of Berlin.

On June 18, the American Commander-in-Chief, General Clay, informed Marshal Sokolovsky, his Soviet colleague on the Four-Power Control Council which governed Germany, that on June 20 a currency reform would be carried out by the Three Powers occupying the Western Zones of Germany, but that the reform measures would not be applied to the western

-
1. Doc. 7.
 2. Doc. 9.
 3. Doc. 10.
 4. Doc. 11.
 5. Doc. 11a.

sectors of Berlin.¹ The Soviet reaction to this currency reform was the suspension of inter-zonal passenger traffic and of incoming traffic on all roads.² Marshal Sokolovsky's reply protested the currency reform on the ground that the arrangements for the Four-Power control of Germany, including currency control, had been jointly drawn up and could not be amended except by quadripartite action. He expressed satisfaction that the reform would not be extended to Berlin.³

On June 21, General Clay in a letter to Marshal Sokolovsky admitted that the introduction of another currency into Berlin would cause "economic problems". He therefore offered to have the economic experts of his staff meet with those of the Soviet Military Administration to discuss the currency situation and trade relations.⁴

Marshal Sokolovsky reported on June 22 that a currency reform for the Soviet Zone and Greater Berlin would be carried out.⁵ On the same day, a Four-Power meeting of financial and economic advisers was held at which it became evident that the Soviet plan was that the sole currency for all Berlin should be the same as that in the Soviet Zone. The Western Powers took the position that no currency would be satisfactory which did not have the sanction of all Four Powers, and offered to compromise on a separate currency controlled by the Kommandatura for the Berlin area.⁶

Since the Soviets would not agree to such an arrangement, General Clay indicated that he had no choice but to introduce

-
1. Doc. 12.
 2. Doc. 13.
 3. Doc. 14.
 4. Doc. 15.
 5. Doc. 15a.
 6. Doc. 16.

in Berlin the reformed currency of the Western Zones.¹ The Soviet Administration thereupon suspended traffic on the Berlin-Helmstedt railway and barge traffic to and from Berlin.² In his reply to a British protest, the Soviet Commander insisted that the reason for the earlier suspension of Autobahn traffic was the desire to protect the economy of the Eastern Zone, but that the suspension of rail traffic was of a technical nature, and would be temporary.³ In a further protest against the Western Powers' currency reform, the Soviet representative refused to continue to meet with his colleagues in the Berlin Kommandatura.⁴

By the end of June, it was apparent that the blockade of Berlin had assumed menacing proportions. The Department of State and the National Military Establishment in Washington therefore considered alternative policies for the United States in Berlin including: (1) withdrawing from Berlin at a definite time; (2) remaining in Berlin at any cost; and (3) maintaining a firm stand in Berlin, postponing the decision whether to withdraw until it became necessary to make it. It was decided to remain in Berlin, to "utilitze to the utmost" the "present propaganda advantage of our position", to "supply the city by air", and, if the restrictions continued, to protest to the Soviets and keep the "Berlin situation before world attention".⁵

The position of the United States was supported by an opinion of the Legal Adviser of the Department of State to

-
1. Doc. 17.
 2. Doc. 18.
 3. Doc. 22.
 4. Doc. 23.
 5. Docs. 19 and 20.

the effect that the United States was an occupying power in Berlin as of right. The right derived from an exchange of communications between President Truman and Marshal Stalin in June 1945 in which the President specified that the forces of the United States would occupy Berlin with "free access by air, road, and rail from Frankfurt and Bremen to Berlin" as part of a plan of operations which was accepted in general terms by Marshal Stalin. It was therefore the Legal Adviser's opinion that action which interfered with such free access was a "direct violation of an international agreement."¹ General Robertson, acting for the British Government but with the knowledge of the other Western commanders in Berlin, asked on July 3 to be informed regarding the date upon which the end of the technical difficulties on the Berlin-Helmstedt rail line might be expected. He also requested that Autobahn traffic between the two cities be opened, since there was no real economic threat to the Soviet Zone. He offered to negotiate concerning the opening of communications.²

On the same day representatives of the three Western Powers met with Marshal Sokolovsky. During their discussion the Marshal indicated that the restrictions on traffic had been imposed to alleviate economic disorders in the Soviet Zone. He asserted that "these economic disorders had been created by the London Conference at which he was not a party."³

Since such broad questions had been raised by the Soviet Commander in Berlin, the Western Powers determined to approach

1. Doc. 21.
2. Doc. 24.
3. Doc. 25.

the Soviet Union on a governmental level. Among the Western Powers at this point arose a question as to whether to suggest the possibility of a meeting of the Council of Foreign Ministers to discuss the whole German problem. The United States opposed such a course since it would have been impossible to reverse the decisions of the London Conference with respect to the formation of a West German Government - a course which the Soviet Union would certainly demand. The United States did desire, however, to mention the possibility of referring the Berlin dispute to the United Nations, since failure to do so would have given the note the character of an ultimatum.¹

The argument of the note sent on July 6 by the United States to the Soviet Union was predicated on the legal right of the United States to share in the administration of Berlin - a right which it derived from the Truman-Stalin correspondence of June 1945 - and the usage which had been followed in the years from 1945 to 1948. The note declared that the United States would "not be induced by threats, pressures or other actions to abandon these rights". It stated that any disagreements which might exist should be settled by "negotiation or by any of the other peaceful methods provided for in Article 33 of the [United Nations] Charter". Finally, the United States was willing to negotiate concerning Berlin in that city, but only after the blockade had been lifted.² The Soviet reply of July 14 charged that the United States, Great Britain, and France had

1. Doc. 26.

2. Doc. 28. Parallel notes were sent by France and the United Kingdom. Notes in this exchange between July 6 and September 22 were prepared by the three powers jointly, or in the case of parallel notes their contents were carefully reconciled.

violated Four-Power agreements in that "Measures for the demilitarization of Germany have not been completed and ... the Ruhr district has been taken out from under the control of the four powers ... the four power control mechanism has been destroyed and the Control Council as a result thereof has ceased its activity." It noted that "Following the London meeting of the three powers with the participation of Benelux, measures have been undertaken ... directed towards the division and dismemberment of Germany". In discussing the right of the United States to participate in the occupation of Berlin, the Soviet note asserted that this right arose from an agreement which "is an inseparable component part of the agreement for the four power administration of Germany as a whole." Thus, since the three Western Powers "by their separate actions in the Western zones of Germany destroyed the system of four power administration of Germany", the legal basis for the Berlin occupation had been destroyed. The note asserted that the restrictions had been imposed as a protective measure when the Western Powers had introduced the new currency into their zones of Germany. "Berlin", it asserted, "is in the center of the Soviet zone and is a part of that zone." Therefore the interests of the population did not permit the introduction of currency which had no validity in the Soviet Zone. Furthermore, if the people of Berlin were suffering as a result of the blockade, the Soviet Union would undertake to supply them. In conclusion, the note stated that the Soviet Government was not unwilling to negotiate the issues but would accept no condition precedent to the initiation of a discussion which would

consider the problem of Berlin as a part of the problem of Four Power control ^{of} Germany.¹

The Moscow Agreement

The next step decided upon was a direct approach to Stalin. This approach was to include a restatement of the position taken in the United States note of July 6 and a direct assurance to Stalin that the Western Powers would not tolerate coercive measures such as the blockade. If Stalin should indicate that the difficulties in Berlin were caused either by genuine technical problems or by a desire to force quadripartite discussions, the Western Powers might be prepared to suggest negotiations, provided the blockade were first lifted. The policy of the United States would be to remain in Berlin, regardless of coercion or threats.²

On July 30, aides-mémoires were left at the Soviet Foreign Office by representatives of the three Western Powers.³ They rejected the Soviet contention that the Western Powers had sacrificed their right to participate in the administration of Berlin, reemphasized the gravity of the situation in Berlin, and requested that arrangements be made for the representatives of the three Western Powers to meet with Stalin and Molotov.⁴ Meantime the economic situation in the Western sectors of Berlin was becoming serious, as was indicated by the deterioration in the food supply and the supply of essential raw materials for the industries. In addition, Soviet currency had tended to displace that of the West in Berlin so that the economy was becoming tied to the Soviet

1. Doc. 29.

2. Doc. 30.

3. Doc. 31.

4. Doc. 32.

Zone economy, and the Soviet authorities were attempting to make the democratically elected government of Berlin unworkable.¹

The meeting with Stalin and Molotov which the Western Powers had requested occurred on August 2, 1948. The American Ambassador, Walter Bedell Smith, speaking for the three Western Powers, read a statement which had been previously agreed upon. The Three Powers, he said, occupied Berlin legally and did not propose to be forced to leave. Since they desired to prevent further deterioration of the situation, they wished to make it clear that if the restrictions in Berlin arose from technical difficulties, they would be willing to assist in remedying them; if the restrictions were to protect the East Zone economy, or if they were intended to force discussions, they were unnecessary, since the Western Powers were quite willing to negotiate if there were no duress. Free negotiations could occur, however, only if the restrictions were removed.

During the discussions, Stalin restated the Soviet contentions, but insisted that there was no intention to drive the other occupying powers out of Berlin. In essence, his counterproposal was that the restrictions in Berlin be lifted if the special West Zone "B" mark currency were abolished simultaneously, and if the implementation of the London decisions were suspended until the Four Powers could meet and try to agree on fundamental questions concerning Germany as a whole.² Marshal Stalin also outlined the

1. Doc. 33.

2. Doc. 34. Includes also Ambassador Smith's comments.

questions which the Soviet Union would like to have discussed if a Four Power meeting could be held. These included reparations, demilitarization, formation of a German government, a peace treaty, and control of the Ruhr. After further discussion, Stalin suggested the following solution to the problem: (1) The Soviet Zone mark would be introduced in all Berlin simultaneously with the removal of all transport restrictions, and (2) Stalin "would no longer ask as a condition the deferment of the implementation of the London decisions, though he wished this to be recorded as the insistent wish of the Soviet Government".¹ The United States was willing to agree to the proposed substitution of the Soviet Zone mark, but only if its availability and use were subject to quadripartite control. The United States was also willing to hold a Four Power meeting.² Representatives of the three Western Powers met with Molotov on August 6 to consider a draft agreement which they had prepared. Molotov's chief concern seemed to be that the proposed draft contained nothing with regard to Stalin's "insistent wish" that the implementation of the London Conference decisions be deferred. He further objected that the draft did not provide for simultaneous action to lift the blockade and adopt the Soviet mark in all Berlin. The Soviet Union could permit the other Powers to have no part in the control of the Berlin currency once it had been issued. Molotov considered that the proper authorities to discuss "wider German questions" were the Foreign Ministers.³

1. Doc. 35.

2. Doc. 36.

3. Doc. 37.

On August 9, a further meeting was held at which Molotov submitted his draft of a "joint communique".¹ This draft stated that the restrictions to be removed would be those imposed after the date of the announcement of currency reform in the Western Zones. It also stated that the governments of the Western Powers did "not propose for the time being to deal with the question of the formation of a government for western Germany". The control of the currency in Berlin should be exercised by the German Bank of Emission of the Soviet Zone.²

The Molotov draft was unacceptable to the United States. It implied acceptance of the Soviet thesis that Four Power control of Germany had lapsed, for the draft agreement was to constitute the complete authority for the Berlin régime. The United States also could not accept the implication that the Soviet traffic restrictions had been imposed after and as a result of the currency reform in the Western Zones. Molotov's proposals with regard to the supervision of the currency were also considered inadequate. While the Western Powers did not wish to control "the total issuance of Soviet Zone currency" they did "desire agreement on quadripartite regulation of the use of Soviet Zone currency within Berlin and in trade". Similar considerations applied to control of the trade of the Western sectors.³

A further meeting was held with Molotov on August 12, 1948. Before the meeting, the representatives of the United States, the United Kingdom, and France had agreed on a draft statement commenting upon Molotov's draft. This statement

1. Doc. 38.
2. Doc. 39.
3. Doc. 40.

took issue with the Soviet contention that the currency reform in the West had necessitated the blockade, as the four commanders in Berlin could easily have eliminated any threat to the Soviet Zone economy by making arrangements to prevent black-market currency operations. The Western Powers could not, furthermore, accept the implication that the agreement under discussion would supersede all other agreements on Berlin, or derogate from existing rights. The Western Powers would not accept any communiqué which mentioned that negotiations had taken place with regard to postponing the establishment of the West German Government. Oral statements had been made in the meeting with Stalin, but the postponement of the establishment of the Government was not an agreed "condition precedent" to the lifting of the blockade. The Western Powers would not accept the contention that Berlin was a part of the Soviet Zone, and thus would insist that they have some part in controlling the currency used in the city. While they did not insist on controlling all the Soviet Zone currency, they would insist that they have a part in controlling its use in Berlin. Finally, the three powers rejected a Soviet contention that the city of Berlin should be exempted from bearing its part of the occupation costs.¹ At this meeting Mr. Molotov seemed to be more interested in fixing a date for the introduction of the Soviet currency in Berlin and lifting the blockade than in any juridical question. Ambassador Smith insisted that if such a date were fixed, some terms of reference must be

1. Doc. 42.

prepared for the respective commanders in Berlin so that they could make the necessary arrangements for the change-over. Ambassador Smith was of the opinion that Molotov's reaction to the Western statement was much milder than ¹ might have been expected.

In preparation for a meeting on August 16 the Western Powers again prepared a draft communiqué - which again provided for lifting the blockade and for a meeting of the Council of Foreign Ministers. The communiqué placed responsibility for the preparations in Berlin on the Military Governors, and provided that the Council of Foreign Ministers or other representatives should meet to discuss "(A) Any question which may be outstanding as regards Berlin and ^B (b) any other outstanding problems affecting Germany as a whole". The Soviet Zone mark was to be employed in Berlin provided however that the Military Governors "shall have worked out arrangements for continued issue and use in ² Berlin under quadripartite authority" of that currency. Molotov objected to the draft on the ground that abandonment of the blockade and introduction of the Soviet Zone currency would not be simultaneous, since the lifting of the blockade and the negotiations on the currency issue would begin the same day. After considerable discussion, particularly of the introduction of the Soviet currency in all of Berlin, Molotov proposed a draft directive to the Military Governors in which the introduction of the Soviet Zone currency and the lifting of the blockade would be simultaneous and unconditional, after the four Military

1. Doc. 41.

2. Doc. 43.

Governors had worked out the details of the procedure. Later in the discussion, it became obvious that the problem of quadripartite control in Berlin was fundamental to the whole discussion and that Molotov was unwilling or unable to make concessions to allow Four Power control of currency or trade.¹

Since Molotov's attitude was adamant, it was agreed among the Western Powers that a final meeting should be sought with Stalin so that the fundamental issues might again be considered. The agreed statement to be read to Stalin reduced the argument to the issue of control of the currency in Berlin, which the Three Powers insisted should be quadripartite. Stalin, however, opened the meeting by presenting a new draft communiqué. This draft provided that the restrictions imposed by both sides on traffic in and out of Berlin be removed simultaneously with the acceptance of the Soviet mark in all Berlin. A quadripartite financial commission, however, would control "the practical implementation of financial arrangements involved in the introduction of a single currency in Berlin". Berlin was to be exempted from payment of occupation costs.³ During the part of the discussion at which Stalin was present he explained that the function of the financial commission would be to control that part of the activity of the Soviet Bank of Emission which was concerned with the regulation of currency in Berlin. Stalin also wished to secure some sort of a statement, which need not be published, with regard to the London agreements.⁴

1. Doc. 44.

2. Doc. 45.

3. Doc. 47.

4. Doc. 46.

After Stalin had withdrawn from the meeting, the Soviet and Western drafts were considered with Molotov, who was most interested in preserving the stability of the Soviet Zone currency. He thought that occupation costs paid by Berlin would cause a heavy and perhaps inflationary drain on the East Zone currency. For that reason, the budget of Berlin should be balanced. Molotov also did not wish the word "quadripartite" to be used, since it implied the legal right of the three Western Powers to be in Berlin. He would only agree to the phrase "the basis agreed between the four Military Governors" to describe the control function.¹ Thus, even though agreement was reached on other sections of the communiqué, the draft which emerged from this meeting was not satisfactory to the United States since it did not recognize the right of the United States and the other Western Powers to be in Berlin. The draft directive to the Military Governors which emerged from the meeting was not satisfactory either, and numerous amendments were suggested by the United States.²

A further meeting with Molotov and Vyshinsky was held on August 27, during which the texts of both a communiqué to the public and a directive to the Military Governors were worked out.³ The communiqué provided for the simultaneous lifting of the blockade and acceptance of the East Zone mark as the sole currency for Berlin. Further, a meeting of the Council of Foreign Ministers was to be held to discuss problems concerning Berlin and Germany as a whole. The

1. Doc. 47.

2. Docs. 48, 49, and 50.

3. Doc. 52.

directive to the Military Governors instructed them to make the detailed arrangements necessary for carrying into effect the provisions of the communiqué and to report the earliest date upon which they could be carried out. The provision regarding the financial commission was retained. This last provision was separate from the "arrangements relating to the currency changeover" which the Military Governors were required to work out. Further discussion of the London plan brought no further agreement.¹

During the final meeting of the series on August 30, Molotov and Vyshinsky would not agree to the issuance of any communiqué until the Berlin negotiations were completed, unless the Western Powers agreed to postpone the implementation of the London agreements - a condition which the Western Powers were unable to accept. Accordingly, no communiqué was released, but agreement was reached on the directive to the Military Governors.²

On August 31, 1948 the four Military Governors in Berlin began discussions in accordance with the directive agreed upon at Moscow. A deadlock arose when it became evident that Sokolovsky's position with regard to the powers of the proposed financial commission was incompatible with the Moscow decisions. In effect, the issue was again the control of the city of Berlin.³ Similarly during the discussion of the control of trade Sokolovsky took a position which would have given the Soviets control of the trade to and from Berlin if it had been agreed to.⁴

1. Doc. 51.

2. Docs. 53 and 54.

3. Doc. 59.

4. Doc. 58.

At the conclusion of a week of technical discussions, the conferees could not even agree on a joint report to their governments. The three major points of difference were: (1) The function of the finance commission, (2) Soviet insistence on Soviet control of the trade of Berlin, and (3) a Soviet proposal to introduce restrictions on air transport.¹ On each of these issues the Soviet representative made claims which the United States would not accept. In trade, for example, he asserted that the Soviet Union had always controlled the export and import of goods for Berlin. This contention was untrue, but the United States was willing to grant that the introduction of Soviet currency would make necessary some agreements on trade control.² The report on the finance problem forwarded to the United States by Ambassador Murphy reemphasized the refusal of the Soviet authorities to allow the Finance Commission the control functions assigned to it in the Moscow agreements with Stalin. In their view, the Soviet Military Administration would actually control the emission and circulation of the currency, while the Finance Commission would act merely as an "observer" to report on evidences of discrimination."³ As for lifting the traffic restrictions, the Soviets were unwilling to give up all the controls which they had imposed, and wished to allow the use of only one rail route, without alternate routes to be available in case of "technical difficulties".⁴ Sokolovsky also attempted to restrict air transport to and from Berlin to military

1. Docs. 55 and 57.

2. Doc. 58.

3. Doc. 59.

4. Doc. 61.

planes for the transport and supply of military personnel only in accordance with the Soviet interpretation of a Control Council discussion of November 30, 1945.¹

Since the Military Governors had reached no general agreement at the end of the time allotted in the Moscow directive, the only course remaining was to refer the problem again to the Four Governments. It appeared desirable to the United States to reemphasize that none of its rights had been suspended or altered in the course of the discussions in Moscow or Berlin, inasmuch as the action of the Soviet Government appeared to be part of a plan to nullify the juridical rights of the United States in Berlin.²

In an aide-mémoire presented to Molotov in Moscow on September 14, 1948, the United States recounted the facts of the Berlin discussions, pointing out that Sokolovsky took positions during the talks which were not in accordance with the Moscow agreement, and insisted that only if the Soviet Commander in Berlin were instructed to continue the discussions on the basis of the Moscow agreement could the discussions in Berlin continue.³

During the discussion of this aide-mémoire, Soviet officials expressed their desire to have a report prepared by the four Military Governors which would represent an agreed statement on behalf of all of them. Ambassador Smith and his colleagues, on the other hand, wanted only an assurance from Molotov that the Soviet representative would be instructed to return to the agreed basis of the discussion.

1. Doc. 60.

2. Doc. 62.

3. Docs. 63 and 64.

It was Ambassador Smith's impression that the Soviet Government was playing for time and that it wanted to prolong the discussions, and to shift the onus of a possible break to the Western Powers.¹

The Soviet reply to the aide-mémoire of the Three Powers was handed to their representatives on September 18. The reply denied that the Soviet Commandant had misinterpreted the intent of the directive given to him. It maintained that the Soviets were justified in insisting on their interpretation of the November 30, 1945 agreement on air traffic, and that the Soviet offer during the Berlin discussion would have lifted the blockade in compliance with the directive. Respecting the Finance Commission, the Soviets insisted that its functions should be limited to those listed in points "A" to "D" of the directive, and denied that the Commission should have control functions over the "whole activity of the German Bank in Berlin". They also maintained that there had not been adequate agreement on the matter of trade, and suggested that further instructions be sent to the Military Governors.²

In the discussion which followed the presentation of the aide-mémoire, both sides restated and clarified their positions, the point of view of the three Western Powers being stated by Ambassador Smith. In essence he said that the Three Powers were willing to accept Soviet currency in Berlin, but would consent to no arrangement which would derogate from their rights in Berlin. The functions of the Finance Commission should be

1. Doc. 65.

2. Doc. 67.

planned to reflect genuine Four Power control. The discussion did not bring the dispute any closer to solution.¹

A further aide-mémoire was submitted to the Soviet Government on September 22. It restated the position of the United States on the three issues of air traffic, the Finance Commission, and trade. It indicated "that the difficulties that have arisen ... derive not from technical matters but from a fundamental difference of views between the Governments". The question was therefore unequivocally put to the Soviet Government as to whether it was willing to remove the "blockade measures" in Berlin in order to "create conditions which would permit a continuance of discussions."²

The Soviet reply of September 25 attempted to place blame for the whole Berlin situation on the action of the Western Powers in "carrying out of a separate currency reform, and the introduction of a separate currency in the Western Zones of Germany and in the western sectors of Berlin, which constituted an extreme and far reaching measure in the execution of the policy of partitioning Germany". It further stated that the Moscow Agreement of August 30 stipulated a simultaneous lifting of the blockade and introduction of the Soviet mark, and insisted that a settlement be reached only on those terms. The Soviet position on the three disputed issues was also stated: The added regulation of air traffic was necessary because it would facilitate control over currency circulation; the Finance Commission must be

1. Doc. 68.

2. Doc. 69.

established in compliance with the August 30 directive; in the matter of the control of trade, the Soviet Government was willing to concede Four Power control over import trade between Berlin, third countries, and the Western Zones of Germany which it had already agreed to place under the control of the Finance Commission.¹

Since the preliminary attempts to settle the Berlin problem by the peaceful means of discussion and compromise had so far failed to produce a settlement, consideration was given to submitting the dispute either to the General Assembly of the United Nations, which was then about to meet in Paris, or to the Security Council. Such a move was important for the United States, not only in order to fulfill its obligations under the Charter, but also to indicate to Russia that its intentions were unmistakably peaceable. Open consideration of the issue would serve to make plain to the world that the Soviets were "using coercion and force" as their policy and would center world public opinion on the dispute to the disadvantage of the Soviet Union. The consideration of the issues in the United Nations would provide more time "without paying for it by appeasement."

The United States preferred to submit the dispute to the Security Council because that was the appropriate organ to consider a threat to the peace. Furthermore, it offered flexibility of procedure, with the possibility of later submission to the General Assembly. In the Security

1. Doc. 70.

Council there would also be less chance of abstentions and negative votes, other than those of the Soviet Union and its satellites.¹

Submission of the Dispute
to the United Nations

Since the exchange of views of September 22-25 with the Soviets had produced no further agreement, the Foreign Ministers of the United States, the United Kingdom, and France, who were meeting in Paris, issued a communiqué on September 26, 1948 in which they characterized the Soviet note of September 25 as "unsatisfactory" and reported that they were submitting the whole dispute to the United Nations.² On the same day there was delivered to the Soviet Ambassador at Washington a note which, after reciting the history of the dispute, discussed the Soviet note of September 25. This it rejected as unsatisfactory, since "it also seeks to impose restrictions on transport and communications between Berlin and the Western zones which would place the maintenance of the forces of occupation of the three Western occupying powers and the whole life of the Berlin population within the arbitrary power of the Soviet command, thus enabling the Soviet military authorities to reimpose the blockade at any moment in the future if they so desired." The note then stated that the difficulties were not of a technical nature to be adjusted by mere negotiation, but were more fundamental, and that in fact the Soviets were attempting to secure by coercion that which they could not secure legally. Since the Soviets had thus created a situation in which the means

1. Doc. 66.

2. Doc. 71.

of peaceful settlement envisaged by the United Nations Charter were no longer workable, the Three Powers "while reserving to themselves full rights to take such measures as may be necessary to maintain in these circumstances their position in Berlin, find themselves obliged to refer the action of the Soviet Government to the Security Council of the United Nations."

On September 29 Ambassador Austin for the United States submitted a note to the Secretary General of the United Nations in which he drew attention to the "serious situation which has arisen as a result of the unilateral imposition by the Government of the Union of Soviet Socialist Republics of restrictions on transport and communications between the Western zones of Occupation in Germany and Berlin". The note charged that the action was a threat to the peace under Chapter VII of the Charter and made it clear that the United States regarded the Soviet action as a pressure device to secure political objectives. The United States took the position that it had exhausted the possible means of peaceful settlement as required by Article 33 of the Charter.²

The Soviet reply to the United States note of September 26 was forwarded to the American Embassy at Moscow on October 3. The note began with a restatement of the agreed directive to the Military Governors. It stated that this directive had provided "that a quadripartite finance control must be set up for the introduction and circulation of a single currency in Berlin, but

nowhere is it stated that this concerns also the issuing of the above mentioned currency, inasmuch as this might lead to the interference of the Three Powers in the regulation of the monetary circulation in the whole Soviet Zone." The note maintained that at Berlin the Western representatives had demanded control over the issuance of the currency and thus over the whole economic life of the Soviet Zone. The Soviet Government expressed its willingness to adhere to the provisions of the directive of August 30. The Soviets appeared to believe that the Western Powers had agreed during the Berlin discussions to a form of control over air traffic into Berlin and in general expressed the belief that the differences between the Powers had been too small to justify the breaking off of discussions, an action which it attributed to the Western Powers. The Soviets restated their position that the questions of Berlin and of Germany as a whole were closely related, as appeared plainly from various agreements previously entered into. The Western Powers, by their London agreements, allegedly had violated the Potsdam agreement and were thus at fault for the situation as it existed in Germany; they therefore could not expect to be the recipients of any rights in Berlin as a result of that prior agreement with the Soviets. The note denied that the food situation in Berlin was serious, since the Soviet forces were willing and able to supply the city. The restrictive measures were said to be necessary to insure the economic stability of the Soviet Zone. Furthermore, it was claimed that the charges of the Western Powers that the Soviets were fomenting disorder in the Berlin government were

not true. The note further alleged that the Three Powers had themselves "ignored their obligations to refer disputed questions on Germany and Berlin to the Council of Foreign Ministers, whose competence, as is known, includes the regulation of such matters."

In a declaration at the end of the note, the Soviet Government developed the argument that the situation in Berlin should be settled by the Powers concerned, since Article 107 of the Charter so provided. It defined the action of the Three Powers in submitting the question to the Security Council as a "means of pressure." The proposals of the Soviet Union were: (1) "to recognize the agreed directive of August 30 to the military commanders as an agreement ... on the basis of which the situation in Berlin must be regulated," and (2) to call a meeting of the Council of Foreign Ministers in order to review both the situation in Berlin and the problems of Germany as a whole "in accordance with the Potsdam agreement of the four powers."¹

The same point of view was stressed by Mr. Vyshinsky in the discussions of the problem in the Security Council of the United Nations. He reiterated the position that the measures taken by the Soviets in their Zone of occupation were defensive in nature, since the other occupying Powers had violated the Potsdam and other agreements, and the contention that the duty of the Four Powers to settle disputes on Germany among themselves was clear. He further elaborated the idea that there was actually no blockade of Berlin, and thus there could be no real threat to the peace.²

1. Doc. 74.

2. Doc. 75.

The discussion at this time was directed to the procedural question whether the item proposed for the agenda by the Western Powers should be placed on the agenda of the Security Council. Mr. Jessup, speaking for the United States, insisted that the situation had not changed and that there still existed a real threat to the peace. Since the obligation of Members of the United Nations to submit such situations to the United Nations was clear, the United States had submitted the threat created by the Berlin blockade; it did not wish to discuss all problems concerned with Germany in the Security Council. The drafting history of Article 107 provided no indication that it was meant to apply to the action of a great Power¹ within the territory of a defeated Power.

When the vote was taken on the issue of including the Berlin blockade problem on the agenda, the result was nine to two in favor of considering the problem, but the Soviet representative announced his unwillingness to participate² in any such discussion.

On October 6, 1948, Mr. Jessup, in the Security Council, delivered an address in which he outlined the substantive case of the United States. The actual threat to the peace, he said, was created in the attempt of the Soviet Union to blockade Berlin and secure the political allegiance of the people by promise of food. Furthermore the Soviet Union fomented and encouraged disturbances which threatened the stability of the city government of Berlin. Mr. Jessup reviewed the legal grounds upon which the United States

1. Doc. 76.

2. Doc. 77.

shared in the occupation; he traced the imposition of various restrictions in Berlin, and the shifting series of excuses given by the Soviets for their actions. He described a series of measures taken by the Soviets to disrupt the government of Berlin, and the efforts of the United States by discussion and otherwise to solve the problems of Berlin. He again expressed the willingness of the United States to participate in a meeting of the Council of Foreign Ministers if the blockade were lifted.¹

Since the Soviet Union refused even to discuss the matter, a stalemate had obviously occurred. In these circumstances the President of the Security Council, Juan Bramuglia, sought to conciliate the dispute. In this effort, he directed to the disputants a series of seven questions with which he attempted to draw out any fresh ideas which either side might offer.² The United States, the United Kingdom, and France chose to embody their replies in a joint memorandum. They assured Dr. Bramuglia that they were ready now as before to discuss all German problems in the Council of Foreign Ministers as soon as the blockade was lifted. They wished to emphasize that it was the blockade which held up the discussions, and suggested to the Council that it might "call upon" the Four Powers to remove their separate restrictions, and to arrange for discussions of the German problem. After receiving the reply of the Western Powers, Dr. Bramuglia approached Mr. Vyshinsky with the idea that a lifting of the blockade and a simultaneous meeting of the Council of Foreign

1. Doc. 78.

2. Doc. 79.

Ministers might be arranged.¹ The Soviet reply to the informal questionnaire maintained that the Security Council should remove the Berlin problem from its agenda and insisted that the lifting of the blockade and the introduction of the Soviet Zone currency should be simultaneous and that there should be a meeting of the Council of Foreign Ministers in which the whole problem of Germany ought to be resolved "in conformity with the Potsdam agreement".²

On October 22, 1948, the six members of the Security Council not directly concerned in the Berlin dispute - Argentina, Belgium, Canada, China, Colombia and Syria - submitted to the Council a draft resolution intended to alleviate the situation in Berlin. This resolution "called upon" the four occupying powers to "prevent any incident which would be of a nature to aggravate the present situation in Berlin", and simultaneously to discontinue all blockade measures. The four Military Governors were to meet as soon as possible to arrange for the unification of the currency of Berlin on the basis of the German mark of the Soviet Zone. The Military Governors were to fix the conditions for the use of the currency and the quadripartite Finance Commission was to carry out those conditions. A meeting of the Council of Foreign Ministers, to reopen negotiations on Germany as a whole, was to be scheduled within ten days of the completion of these actions.³ Mr. Jessup, speaking for the United States, accepted the resolution, since it required reciprocal

1. Doc. 80.

2. Doc. 81.

3. Doc. 82.

concessions of the sort previously urged by the United States.¹

Speaking for the Soviet Union, Mr. Vyshinsky pointed out that whereas the joint directive of August 30 had provided that the introduction of the Soviet mark in Berlin should be simultaneous with the lifting of the blockade, the resolution under consideration provided only that the Military Governors would meet to arrange for the unification of the currency simultaneously with the lifting of the blockade. Thus even though the resolution fixed a date of November 20 for the completion of the action contemplated with regard to the currency, Mr. Vyshinsky did not consider the arrangement satisfactory, and vetoed the resolution.²

Mr. Jessup, in his rebuttal to the Soviet statements, noted that the directive of August 30 had provided that the Soviet currency be introduced and the blockade lifted "subject to agreement being reached among the Four Military Governors in Berlin for their practical implementation". Since the Soviet Union had not permitted this agreement to be reached, the question was not a technical one, but rather a question whether the Soviet Union could secure its objectives by force. In fact, he said, the Soviet Union could secure all it desired without the use of force, but the three Western Powers would never agree to negotiate under duress.³

After the Soviet veto of the resolution, Mr. Herbert Evatt, in his capacity as President of the General Assembly, joined with Secretary-General Trygve Lie in addressing a communication to the four disputant Powers. They referred to a resolution of the General Assembly urging the Great Powers to "compose their differences, and establish a lasting peace" and urged the Powers to undertake conversations which would contribute

to a solution of the Berlin question so that a peace treaty for Germany could be concluded.¹

President Truman's reply assured the two officials that it was still the desire of the United States to settle the Berlin question and that the United States would have been willing to settle the question on the basis of the resolution which the Soviet Union had vetoed. It then restated the positions taken by the United States: (1) that it was ready to negotiate once the blockade was lifted, and (2) that the purpose of the blockade was to secure political objectives to which the Soviet Union was not legally entitled.²

The reply of the Soviet Union likewise restated its position that it would settle the dispute on the basis of the directive of August 30, provided that the Council of Foreign Ministers be convened to consider all problems in connection with Germany as a whole.³

The United Nations Committee of Experts

Continuing his efforts to resolve the conflict over Berlin, Dr. Bramuglia, representing the six sponsors of the vetoed resolution, forwarded to the disputants in early December a further questionnaire concerning the exercise of the quadripartite control of financial arrangements in Berlin. The answers to this questionnaire brought out clearly the point at issue in the Berlin currency problem. Assuming that the currency to be adopted for Berlin was the Soviet Zone mark, how could the Three Powers control the Soviet currency used in their sectors of Berlin without interfering with the Soviet right to control the currency in the Soviet Zone? The Soviet position was that the degree of control over the German Bank of Emission, the source of

1. Doc. 86.

2. Doc. 87.

3. Doc. 88.

the Soviet currency envisaged by the Western powers would be so great as to prevent the Soviet Administration's exercise of its legitimate control in its own zone. The reply of the three Western Powers denied that they desired to interfere with the finances of the Soviet Zone, but asserted that the Western Powers could not agree that the Soviets should exercise "sole and unrestricted control over the currency and finances of Berlin". The reply pointed out that after the problem of issuing the currency had been solved, there would remain the problem of controlling the amount of currency and credit available in Berlin, and that of insuring non-discrimination in the provision of currency and credit to the four sectors. The whole solution would be complicated by the split in the city of Berlin. Specifically, in answer to Dr. Bramuglia's questions, the reply said that the Financial Commission should exercise control of ¹finance and credit as well as trade, but only within Berlin.

Since the replies only restated the disagreements which the parties encountered the previous summer in Berlin, Dr. Bramuglia decided to appoint a technical committee to "consider and make recommendations to the President of the Security Council . . . for the agreement among the occupying powers relating to introduction, circulation, and continued use of a single currency for Berlin, under adequate Four Power supervision and import and export regulations in connection with outside trade of Berlin."² The three Western

1. Doc. 89.

2. Doc. 93.

Powers welcomed the action of Dr. Bramuglia, but reserved their right "to take such measures as may be necessary to maintain in these circumstances their position in Berlin."¹ The Soviet Government likewise agreed to submit information to the Committee and in its reply expanded its answers to the five questions previously posed by Dr. Bramuglia.²

On December 5 the three Western Powers addressed a further communication to Dr. Bramuglia, describing the action taken by the Soviets in their sector of Berlin on November 30.³ This action consisted of "arbitrary dismissal of city councillors", "threatening official Soviet Letters", creation of an independent Social Democratic Party, and threatening of the personal safety of Berlin officials. The Soviets had officially declared that they would not permit elections to be held in the Soviet sector as scheduled. They had altered the system of electric power distribution and disturbed the city transport system. They had introduced a new identification system.⁴

On November 29, 1948, Marshal Sokolovsky had sent to General Clay a protest against "dangerous acts which are taking place in the Western sectors of Berlin for the disorganization and splitting of German municipal administrative agencies." He protested the fact that separate Western sector elections had been arranged, since that action would disrupt the city-wide Magistrat. The Soviet command would not encourage the splitting of the Magistrat, but would

1. Doc. 94.
2. Doc. 95.
3. Doc. 96.
4. Docs. 91 and 90.

cooperate in preserving the unity of the city.¹ General Clay's reply stated that the Commandants of the three Western Powers had no objection to the elections scheduled for December 5. It placed the blame for the division of the city on the Soviet occupation authorities, and asked whether the recent illegal election of officers to the Magistrat from the Soviet sector had been countenanced by the Soviet Commandant. General Clay insisted that he desired that the Berlin constitution be adhered to.²

By December 5, however, when the three Western currency experts submitted the report mentioned above to the President of the Security Council, the splitting of the city of Berlin had been accomplished since the Soviet authorities had on November 30 "countenanced, and indeed encouraged" a movement to exclude the legal city administration from the Soviet sector. The existence of the separate city government in the Soviet sector had created a de facto split in the city which would make the establishment of a single currency extremely difficult. The communication of the Western Powers related the history of the establishment and operation of the city government in Berlin, showing how the tactics of the Soviets had been to disrupt it whenever possible. The Soviets had refused, in effect, to permit the holding of the 1948 elections, as required by the temporary constitution of the city. The report stated that in spite of all difficulties, the elections would be held on December 5 in the Western sectors of the city.³

1. Doc. 92.
2. Doc. 92a.
3. Doc. 96.

On December 23, 1948, the Technical Committee on Berlin Currency and Trade made a progress report¹ and submitted a set of draft recommendations² which it felt would be workable even with a divided government in Berlin. The draft recommendations provided a detailed set of operational guides for the Four Power Finance Commission, the Berlin branch of the German Bank of Emission, and the Berlin banking institutions. Rules with regard to the provision of currency and credit and for control of trade were drafted with the idea of providing for the maintenance of a fixed relationship between the amount of currency issued in Berlin and the amount issued in the Soviet Zone.

Both parties to the dispute submitted comments on these draft recommendations. The Soviet reply stressed the necessity for tying the operation of the economic structure of Berlin to that of the Soviet Zone in all respects. It insisted that the Berlin budget should be balanced immediately. Goods which were to pass through the Soviet Zone were to be licensed by the Soviet Military Administration and a control upon air transport was to be established.³ The reply of the United States reemphasized the necessity for any solution to take into account the de facto split in the city of Berlin. It opposed any arrangement which would require unanimous decisions by any quadripartite body, since the veto power would tend to stifle activity. In essence it suggested that a scheme to be viable in Berlin would have to be based on control of the currency by each of the Powers in

1. Doc. 97.

2. Doc. 98.

3. Doc. 99.

its own sector. Thus the plan suggested by the United States expert as a modus vivendi provided that the Western Stadtkontor be designated the central bank for Western Berlin, with the German Bank of Emission (Soviet sector) furnishing Soviet Zone currency for all of Berlin under a special arrangement.¹ When the replies had been exchanged, the Soviet expert pointed out that while the Committee's draft had been based essentially on the formula of the directive of August 30, the reply of the United States expert had not, and he therefore rejected the comments of the United States expert.²

In later papers, the United Kingdom and France supported the position taken by the expert of the United States.³ Both sides submitted further information with regard to the situation in Berlin at the request of the Committee.⁴

The report of the Technical Committee on Berlin Currency and Trade was submitted to the President of the Security Council on February 11, 1949. It summarized the discussions and papers in some detail, concluding that "the present positions of the experts of the Four Occupying Powers are so far apart in this matter that further work by the Committee, at this stage, does not appear useful." The Committee therefore made no recommendation, but submitted the material it had collected to the President of the Security Council.⁵

At this point the United States released to the press a review of the controversy, stating that the failure to agree

1. Doc. 100.
2. Doc. 101.
3. Doc. 102.
4. Docs. 103 to 106.



arose from the unwillingness of the Soviet authorities to implement the basic principles of the August 30 directive, and later from the situation created by the Soviet action to split the administration of the city of Berlin. It emphasized that the Western Powers were still prepared "to consider any equitable solution of Berlin currency and trade matters which will adequately safeguard legitimate interests of both western and eastern sectors of the city."¹

The Jessup-Malik Conversations

Shortly before the Currency Committee submitted its report Kingsbury Smith, an American correspondent interviewed Marshal Stalin by telegraph. One of his questions with the answer which Stalin sent was as follows:

"Question: 'If the Governments of the United States of America, the United Kingdom and France agreed to postpone establishment of a separate western German state pending a meeting of the Council of Foreign Ministers to consider the German problem as a whole, would the Government of the USSR be prepared to remove the restrictions which Soviet authorities have imposed on communications between Berlin and the western zones of Germany?'

"Answer: 'Provided the United States of America, Great Britain and France observe the conditions set forth in the third question, the Soviet Government sees no obstacles to lifting the transport restrictions on the understanding, however, that transport and trade restrictions introduced by the three powers should be lifted simultaneously.'"

At his press conference on February 2, Secretary Acheson reviewed the conflict over Berlin in relation to this interview, showing how the Soviet justification of the traffic restrictions had shifted during the period from their imposition to that date. He observed that the

1. Doc. 110.

Western German Government had not yet been formed, and that the agreements in regard to Western Germany did not preclude agreement on Germany as a whole. He suggested that all the normal channels were open for diplomatic negotiation, if the Soviets wished to consider the issues.¹

On February 15, 1949, Ambassador Jessup in conversation with Yakov Malik, representative of the USSR to the United Nations at Lake Success, remarked that the answer of Stalin as given above made no reference to the currency problem in the Berlin matter. When Mr. Jessup asked whether the omission had any significance, Mr. Malik replied that he did not know but that he would inquire. On March 15, Mr. Malik reported that the omission was "not accidental". The problem of currency could be discussed by the Council of Foreign Ministers in relation to the rest of the German problem.

In the later discussion Mr. Jessup observed that it was not necessary to urge the postponement of the establishment of the West German Government as a "condition precedent to a Council of Foreign Ministers since as a matter of fact that government did not now exist." Further conversation developed the attitude of the two representatives with regard to the issue of reciprocity; both considered that a mutual and simultaneous lifting of blockade measures would be necessary.²

On March 21 Mr. Malik revealed that the Soviet Union would consent to a reciprocal lifting of the Berlin blockade if agreement were reached as to a date for a meeting of the

1. Doc. 108.

2. Doc. 109.

Council of Foreign Ministers. The date for lifting the blockade would not necessarily coincide with that of the meeting of the Foreign Ministers. Some misunderstanding arose at this meeting as to whether Mr. Jessup had ever promised to "call off" the formation of a West German Government if a meeting of the Council of Foreign Ministers were arranged. Ambassador Jessup insisted that he had never made such a promise, but had said that if the Council were to meet at the time of the discussion, it would meet in the absence of a West German Government.¹

On April 5 Mr. Jessup again called upon Mr. Malik, and read to him a prepared statement in which the position of the United States was set forth.² The understanding of the United States was that the Soviet Government was willing to remove all restrictions on communications, transportation, and trade between Berlin and the Western Zones imposed since March 1, 1948, on condition that the Western Powers would remove their restrictions on transportation to and from the Eastern Zone. Subsequent to the removal, a meeting of the Council of Foreign Ministers would be held to consider "matters arising out of the situation in Berlin, and matters affecting Germany as a whole". The statement noted that "the question of the establishment of a Western German Government does not arise in the consideration of arranging a meeting of the Council of Foreign Ministers in the reasonably near future." The discussion on April 5 was in large part a clarification of the mutual understandings, especially with regard to the issue of the postponement of a West German Government.³

1. Doc. 112.

2. Doc. 114.

3. Doc. 113.

At the opening of their next conversation on April 11, Mr. Malik read a statement to the effect that Vyshinsky agreed to the conditions already discussed, except that he understood that no West German Government would be established during the meeting of the Council of Foreign Ministers. After considerable discussion of this point, on which no definite agreement was reached, Malik suggested that since agreement had been reached that a mutual lifting of restrictions could occur, "no obstacles existed¹ to entering into conversations to fix the details".

On April 27, Mr. Jessup again called upon Malik and read to him a prepared statement which included certain details necessary to be understood if the talks were to continue, among them the date March 1, 1948 as the date from which the imposition of the blockade was to be calculated. The position of the United States with regard to the initiation of a West German Government was that preparations were being made for such a government, and would continue, though the London decisions did not preclude an agreement among the Four Powers. The United States wished to suggest a date for the meeting of the Council of Foreign Ministers early enough so that the Foreign Ministers could return to their duties at least by the second week of June.² For his part, Malik had received an amplification of Vyshinsky's previous statement regarding the mutual lifting of blockade measures. He now used March 30, however, as the date of the initiation of such measures. It was decided to seek

1. Doc. 115.

2. Doc. 117.

further instructions on this point, since Jessup argued that the United States wished to assure itself that all restrictions would be removed. After further clarification of the currency issue and the problem of the establishment of the West German Government, the discussion turned to details for concluding the negotiation.¹

At the next meeting, on April 29, Mr. Malik began by asking about a communiqué to announce the details of the agreement, thus implying that the Soviet Government considered that agreement had been reached at the previous meeting. Mr. Malik then stated that the Soviet Government wished to have the meeting of the Council of Foreign Ministers held at Paris between the tenth and fourteenth of June, 1949. The blockade could be lifted one week earlier. The meeting could consider the question of currency among others. Mr. Malik then proposed the text of a communiqué to be issued to record the agreement. The details of the proposed communiqué were discussed, with particular emphasis upon the date mentioned as that upon which restrictions were first imposed by the Soviet Government, and the date mentioned for the beginning of the Council of Foreign Ministers meeting. Mr. Malik agreed that the next meeting in the series could be a meeting of representatives of the Four Powers, so that a communiqué could be agreed upon.²

On May 2, Mr. Jessup commented upon Mr. Malik's latest proposals in writing. Speaking for the representatives of France and the United Kingdom, as well as for the United

1. Doc. 116.

2. Doc. 118.

States, he agreed that the place of the meeting of the Council of Foreign Ministers should be Paris, but suggested that the date for the meeting should be May 23, and the date for the lifting of the blockade should be May 9. The date from which the blockade measures were to be calculated should be March 1, 1948. Mr. Jessup then proposed a revised text for the communiqué to be issued¹ by the Four Powers.

In Mr. Malik's reply of May 3, he agreed to the date for the meeting of the Council of Foreign Ministers and the date from which the blockade measures to be removed would be calculated, but wished to suggest the date of May 12 as the date for lifting the blockade. He also made some suggestions for further amendments to the communiqué which were subsequently accepted.²

The first point decided in a Four Power meeting on May 4 was the date for the lifting of the blockade measures. Mr. Malik insisted that May 12 was the earliest possible date, since it would be necessary to make arrangements for the lifting after the communiqué was issued. This date was finally agreed upon. The wording of the communiqué was further considered. It was agreed, for instance, that the use of the term "all restrictions" did not mean that the currency problem in Berlin would be considered a restriction; it would therefore not delay the lifting of the blockade. The technical problem of preparing the communiqué was discussed, and the details of its release were agreed upon.³

-
1. Doc. 119.
 2. Doc. 120.
 3. Doc. 121.

The communiqué itself, released May 4, 1949, stated that all restrictions which had been imposed by any government on traffic to and from Berlin, after March 1, 1948, would be lifted on May 12, 1949. On May 23, 1949, a meeting of the Council of Foreign Ministers was to be held in Paris "to consider questions relating to Germany, and problems arising out of the situation in Berlin, including also the question of currency in Berlin."¹ The Security Council was notified of this agreement on the same day.² No request was made at the time, however, to remove the Berlin question from the Council's agenda, and in view of subsequent developments this question has remained on the agenda of the Security Council, although no action has been taken on it.

1. Doc. 122.

2. Doc. 123.

~~TOP SECRET~~

NSC 24

COPY NO. 1



A REPORT

TO THE

NATIONAL SECURITY COUNCIL

by

THE SECRETARY OF DEFENSE

on

U. S. MILITARY COURSES OF ACTION WITH
RESPECT TO THE SITUATION IN BERLIN

July 28, 1948

WASHINGTON

DECLASSIFIED

E.O. 11652, Sec. 3(1) and 3(2) = (7)

AND Sec. 1, August 1964

by SP-1, JLC, STATUS Date: 2-6-76

~~TOP SECRET~~

July 28, 1948

NOTE BY THE EXECUTIVE SECRETARY
to the
NATIONAL SECURITY COUNCIL
on

U. S. MILITARY COURSES OF ACTION WITH
RESPECT TO THE SITUATION IN BERLIN

At the request of the Secretary of Defense, the enclosed memorandum, forwarding the views of the Joint Chiefs of Staff on the subject, is circulated herewith for the information of the National Security Council and for discussion at its next meeting.

SIDNEY W. SOUERS
Executive Secretary

Distribution:

The Secretary of State
The Secretary of Defense
The Secretary of the Army
The Secretary of the Navy
The Secretary of the Air Force
The Chairman, National Security
Resources Board

DECLASSIFIED
E. O. 11652, Sec. 3(a) and 3(c) at (7)
DATE 2-11-76
BY SP-6 [signature]
DATE 3-25-76

~~TOP SECRET~~

C O P Y

THE SECRETARY OF DEFENSE
Washington

26 July 1948

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL:

Subject: U. S. Military Courses of Action with
Respect to the Situation in Berlin

I am forwarding herewith, for the information of the National Security Council, the following views which have been expressed by the Joint Chiefs of Staff on the matter of United States military courses of action with respect to the situation in Berlin:

The following discussion is intended to set forth in general terms, and from the military viewpoint, the salient features of the present Berlin situation. The Joint Chiefs of Staff are prepared to supply such further and more detailed information as may be requested. They would appreciate opportunity to comment on such determination as may later be reached by the National Security Council on aspects of the situation in Berlin that have military implications.

As a fundamental basis for consideration of the Berlin problem, it is assumed that it is United States policy to maintain our position in Berlin. This makes it essential to examine the courses of action that this policy necessitates and those to which it may lead.

Careful study of results to date, together with calculations of Berlin supply requirements and maximum air transport capabilities, indicates that minimum requirements can be met by air transport. This will entail augmentation of the present air transport effort to the greatest possible extent. This in turn will further and seriously reduce our air capabilities for implementing emergency war plans including the essential support by the Military Air Transport Service of those plans. Also, there will be a major and serious drain on available supplies of aviation gasoline, which may necessitate special action to provide necessary controls to overcome the inherent peacetime difficulty of meeting the heavy additional aviation gasoline demand and maintaining adequate reserve stocks.

DECLASSIFIED

E. O. 11652, Sec. 3(3) and (4) - (S)

DATE 2-11-76 BY 6032/MS/MS

By JLT, MS, HARS Date 3-25-76

~~TOP SECRET~~

~~TOP SECRET~~

The daily cost of air transport supply operations is already very great and will naturally increase with augmentation of tonnage. In addition, it should be borne in mind that even augmented air lift can include little provision for clothing, maintenance material, raw material, or industrial supplies, which means that conditions in the western sectors of Berlin including unemployment, morale, and stamina of the population will steadily worsen even though food, medical, military, coal, gasoline, and Diesel supplies remain adequate for maintaining an existence level for the population.

Finally, it is always possible that the Soviets may devise and employ means, by interference in the air corridor, of vitiating or stopping air transport operations, or by other pressures within Berlin nullifying its purpose.

Nevertheless, as initially stated, minimum Berlin supply requirements can be met by air transport for at least a considerable, though probably not an indefinite, period. For this reason, the Joint Chiefs of Staff are firmly of the opinion that air transport supply should be continued and should be augmented immediately as necessary to meet the minimum requirements since this is providing and should continue to provide a cushion of time during which some other solution to the Berlin problem may be found and during which appropriate action may be taken toward meeting all eventualities.

Careful consideration has been given to the alternative of attempting to supply Berlin by armed convoy if the air transport method proves inadequate or is hampered or prevented by air corridor interference. The possibility of success in resort to this alternative is remote unless a favorable change in Soviet attitude be presupposed or, a still more remote possibility, unless the attempt in itself causes a favorable change. If a favorable change in Soviet attitude is to be presupposed, then it follows that the armed convoy method would be unnecessary. In any case, Soviet passive interference, such as road and bridge obstruction or destruction, could make the armed convoy method abortive, while Soviet interference by military action, whether simply for prevention or deliberately as a result of war decision, would not only make the convoy method abortive but would shift the stage from one of local friction to that of major war involvement.

The Joint Chiefs of Staff recommend that plans should be made for attempting to supply Berlin by composite armed convoy (British, French, and United States) so that we may be ready



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

July 2, 1948

~~SECRET~~SUMMARY OF TELEGRAMSGERMANY

We have proposed to the British and French that the three western commanders in Berlin see Sokolovsky today to ascertain whether he is in a position to rescind the Soviet blockade measures and when this might be done. If Sokolovsky promises the immediate lifting of the blockade, we would reconsider the question of whether a protest should be sent to Moscow. However, if Sokolovsky indicates further delay, we continue to believe the US, UK and France should dispatch their notes not later than tomorrow.

We have also agreed, following discussions with the British and French, to delete from our proposed note any mention of the possibility of referring the dispute to the Council of Foreign Ministers, though retaining the suggestion that we are still willing to refer the matter to the United Nations. The British and French have accepted our note in this form.

Ambassador Smith in Moscow reports that the treatment given the Berlin situation by the Soviet press during the past week or ten days suggests that Moscow expects no real crisis in the relations of the four occupying powers. Smith points out that while the Soviet press has recently been careful not to alarm the public, the restraint with which the Berlin situation is pictured may indicate the Kremlin's intentions in this matter.

MIDDLE EAST

Our Embassy in Jidda has been officially informed that the recent visit to Saudi Arabia of King Abdullah of Transjordan resulted, thanks to the Zionists, in wiping out past misunderstandings and bringing the two governments together on specific agreements concerning the Middle East and Palestine situations. Both Transjordan and Saudi Arabia agreed not to accept the state of Israel or the partition of Palestine, and, if some peaceful solution is not reached during the truce period, to resume fighting in which Saudi Arabia would take a more active part.

DECLASSIFIED

E.O. 12065, Sec. 3-402

Date Dep. Declass. June 12, 1979

NLT-HC 11-13-80

~~TOP SECRET~~

Based on consideration of all of the foregoing and bearing in mind their assumption that it is United States policy to maintain our position in Berlin, the Joint Chiefs of Staff urge that there be decision now as to our future military course of action regarding Berlin. This decision should take into account the definite possibility that air transport supply might, for reasons beyond our control, prove to be less than adequate, that it cannot in any case be regarded as a permanent solution of the problem, and the very strong probability that to attempt supply by armed convoy not only would be fruitless but would involve major war risk.

If the decision is made that, our occupation troops are to remain there until forced to withdraw by war action and that an attempt will be made to supply Berlin by force if supply can be maintained no other way, then the Joint Chiefs of Staff recommend that:

- (1) All possible time, not only for continuation of effort toward peaceful solution of the problem, but also for preparation for the event of war, be gained by augmentation of the air supply method, and
- (2) Full-out preparations for the early eventuality of war be inaugurated immediately, since there is every indication that even if this is done the available time may be less than needed.

In accordance with a specific recommendation of the Joint Chiefs, I have advised the Secretary of State that plans should be made now for any later attempt to supply Berlin by composite armed convoy (British, French, and United States).

/S/

James Forrestal



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

June 28, 1948

~~SECRET~~

SUMMARY OF TELEGRAMS

GERMANY

We have agreed to a proposal by British Foreign Minister Bevin to maintain a full and complete exchange of information concerning the situation in Germany through our Embassy in London, and we have indicated that for our part we are prepared to continue to maintain our present unprovocative but firm stand in Berlin, utilizing to the utmost the propaganda advantages of our position. Further consideration will be given today to the advisability of sending a three-power note of protest to the Soviet Government.

Ambassador Murphy has pointed out that the presence in Berlin of the western powers has become a symbol of our resistance to Soviet expansionism. It is an index of our prestige in central and eastern Europe and, so far as the Germans are concerned, US presence in Berlin is a measure of US ability and strength in Europe. Murphy feels that in the end the Soviets will be forced to bargain and that their present tactic is to frighten the German population into believing that they may starve, thus inciting them against the western occupation powers.

Bevin has also expressed the view that western withdrawal from Berlin would have serious, if not disastrous, consequences in western Germany and throughout western Europe, while an official of the French Foreign Office contrary to an earlier indication, has expressed the view that a "retreat from Berlin" cannot be considered.

FRANCE

A high official of the French Government has informed Embassy Paris that the current instructions to the French Communists are to concentrate all attacks on the US in connection with the German situation, the "Marshall Plan" and especially the bilateral US-French agreement on ECA assistance.

AUSTRIA

We have informed our representatives in Vienna that we believe there can be no break in the consistent policy of opposing all encroachments by the Soviets on Austrian sovereignty and no indication given that Austria does not enjoy the full support of the western powers in maintaining its national independence.

DECLASSIFIED

E.O. 12812, Sec. 3-402

~~SECRET~~

State Dept. Guidelines, June 12, 1979

By NLT-ALC NND, Date 11-13-80



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

June 29, 1948

~~TOP SECRET~~
SUMMARY OF TELEGRAMS

GERMANY We are authorizing General Clay in concert with the British and if possible the French commanders in Germany to meet again with local Soviet officials on the question of currency reform to ascertain whether in any sense this is the real point at issue and what the Soviet intentions with respect to Berlin may be. Meanwhile we have reached a preliminary decision to remain in Berlin, supplying the city by air and exploiting the propaganda advantages of our position, while continuing discussions with the British and French concerning the presentation of a note to Moscow.

Ambassador Douglas reports that the British Cabinet has given unqualified and unanimous support to the policy of remaining in Berlin. Foreign Minister Bevin further believes that we should make the greatest possible effort to mobilize our air strength as a demonstration to all of Europe of our power and technical ability and that we should certainly send a note to Moscow following the meeting of General Clay with the Soviet Commander and after we have mobilized most of our air transport strength.

The French representative in London has expressed the view that the recent Warsaw Communiqué may well evidence a Soviet desire to reopen four-power talks on Germany. The French therefore believe that the three western powers should promptly consult on this. Bevin has expressed his complete agreement that three-power consultations be held in London as soon as possible.

From Paris Ambassador Caffery reports that the moderate line being taken by the most authoritative writers in the Communist press suggests that the Kremlin does not yet wish to take a completely uncompromising attitude toward the Berlin situation. One source close to Comintern circles has indicated that present Soviet moves are more of the "war of nerves" designed to secure for Moscow a voice in the affairs of western Germany and that they are not necessarily aimed at driving the western powers out of Berlin.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Catalog, June 12, 1979

By NLT-HL 11-23, 6:11 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

June 30, 1948

~~TOP SECRET~~
SUMMARY OF TELEGRAMSGERMANY

We have informed Ambassador Douglas that we agree to the proposal, made by the French and seconded by Bevin, that three-power political consultations concerning the Warsaw Communiqué and the German situation be held in London as soon as practicable.

Belgian Prime Minister Spaak has expressed the view that the Warsaw Communiqué suggests the Soviets may be seeking some basis on which to negotiate with the western powers. He believes that we should attempt to discover Soviet intentions in this regard and that, in any case, the propaganda of the Warsaw Communiqué should not go unanswered.

Embassy Moscow feels that the Warsaw Communiqué does not suggest any change in Soviet policy nor any real willingness on the part of the Kremlin to discuss German issues on a quadripartite basis unless some really attractive bait is offered to Moscow. The Embassy also believes that we should not discount Soviet willingness to starve the German population of Berlin as the price for getting the western powers out of the city.

PALESTINE

The consensus of key representatives to the United Nations is that sooner or later Count Bernadotte will be confronted with basically extreme and irreconcilable Jewish and Arab positions and that at this point the influence of the US and UK will be essential in order to persuade the parties to come to terms.

Our Embassy in Cairo reports that Arab leaders are very pessimistic concerning the possible acceptance of the proposals advanced by Count Bernadotte by either the Jews or Arabs, and it comments that Bernadotte personally, and his mission, have lost influence with leading Arabs. An Israel representative in London has stated that the Jews are not willing even to discuss the question of the sovereignty of the state of Israel, while the Saudi Arabian Deputy Foreign Minister has expressed the view that the Arab states will not accept a prolongation of the truce.

~~TOP SECRET~~
DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT-HC 12263, Date 11-13-80



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

July 1, 1948

~~SECRET~~

SUMMARY OF TELEGRAMS

GERMANY

We have forwarded to London and Paris for the comments of the British and French governments a proposed note of protest to the Soviet Union over the situation in Berlin, proposing immediate consultations for the purpose of settling this issue. We pointed out that, while we would prefer a three-power approach to Moscow, we plan to send the note or to make an equivalent statement ourselves failing agreement with the British and French.

Attlee and Bevin have already informed Douglas that they agree, in principle, to sending the note, but they do not believe the note should suggest negotiations through the CFM or reference of the dispute to UN. They also favor delaying its dispatch for another day. From Paris Ambassador Caffery reports that while French officials may disagree as to the wisdom of the original Allied stand on Berlin, they are united now in the belief that the western powers must at all costs remain or suffer a shattering loss of prestige.

Both the US and UK representatives in Berlin feel that while Sokolovsky's reply to the British Commander can be considered as preparation for a reversal of the Soviet position, it remains a typical example of Soviet "vague and implied promises" and offers no satisfactory guarantees for a solution of the present crisis.

YUGOSLAVIA

We are instructing all of our representatives abroad that they should not detract from the dignity of our position by exhibiting an excessive friendliness for the Yugoslav leaders or by indulging in exaggerated hopes that the Tito regime will soon become an integral part of the western world. At the same time it should be made clear that we would welcome a genuine re-emergence of Yugoslavia as a political personality in its own right.

PALESTINE

The Jewish military commander in Jerusalem has indicated that the Israel Government does not desire, for political and military reasons, an extension of the present truce, while Arab leaders in Cairo have indicated to our Embassy that Count Bernadotte's peace proposals are unacceptable to the Arabs and that unless some better suggestion is forthcoming, the Arabs will have no choice but to resume fighting on July 9.

DECLASSIFIED

~~SECRET~~

E.O. 12066, Sec. 3-402

State Dept. Collection, June 12, 1979

By NLT-*HL* TADS, Date *11-13-80*



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

July 2, 1948

~~SECRET~~SUMMARY OF TELEGRAMSGERMANY

We have proposed to the British and French that the three western commanders in Berlin see Sokolovsky today to ascertain whether he is in a position to rescind the Soviet blockade measures and when this might be done. If Sokolovsky promises the immediate lifting of the blockade, we would reconsider the question of whether a protest should be sent to Moscow. However, if Sokolovsky indicates further delay, we continue to believe the US, UK and France should dispatch their notes not later than tomorrow.

We have also agreed, following discussions with the British and French, to delete from our proposed note any mention of the possibility of referring the dispute to the Council of Foreign Ministers, though retaining the suggestion that we are still willing to refer the matter to the United Nations. The British and French have accepted our note in this form.

Ambassador Smith in Moscow reports that the treatment given the Berlin situation by the Soviet press during the past week or ten days suggests that Moscow expects no real crisis in the relations of the four occupying powers. Smith points out that while the Soviet press has recently been careful not to alarm the public, the restraint with which the Berlin situation is pictured may indicate the Kremlin's intentions in this matter.

MIDDLE EAST

Our Embassy in Jidda has been officially informed that the recent visit to Saudi Arabia of King Abdullah of Transjordan resulted, thanks to the Zionists, in wiping out past misunderstandings and bringing the two governments together on specific agreements concerning the Middle East and Palestine situations. Both Transjordan and Saudi Arabia agreed not to accept the state of Israel or the partition of Palestine, and, if some peaceful solution is not reached during the truce period, to resume fighting in which Saudi Arabia would take a more active part.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Collection, June 12, 1979

NLT-HC 11-13-80



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

July 13, 1948

~~SECRET~~

SUMMARY OF TELEGRAMS

GERMANY We are proposing to the British and French that, if the Soviets have not replied to our note on Berlin by July 14, the three western Ambassadors in Moscow should jointly inquire of the Kremlin when a reply may be expected. If the Soviets do not indicate that a reply will be forthcoming this week, we will proceed on the assumption that this silence constitutes a refusal to lift the blockade or to discuss the Berlin question.

Ambassador Murphy comments that our proposed lines of action for dealing with the Berlin question all fall into the category of negotiations, which approach in his opinion "falls short of the adequate". He points out that semantics will not cure the Berlin situation, which has now passed into a physical struggle for the maintenance of our position, and that the only cure now would be the use of guarded truck convoys reinforced by troops if necessary in order to force our established right to the use of surface transportation into Berlin. He states that the local British and French authorities support this idea, which he does not believe involves any more risk of war than the decision to remain in Berlin.

Murphy also transmits a report that the South African Government has now agreed to deliver the note prepared by the Berlin city assembly to the United Nations.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1975

~~SECRET~~

By NLT-NC EARS, Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

July 14, 1948

~~CONFIDENTIAL~~
SUMMARY OF TELEGRAMSGERMANY

Ambassador Smith believes that recent events suggest the possibility that the USSR in replying to our note of protest on Berlin will dodge the basic issue of the right of the western powers to be in that city. He believes it is possible the Soviets will first end the restrictions on surface transportation into Berlin and will then attack us for being unnecessarily antagonistic over a situation which really did not exist. In this way Moscow might hope to end our present air-lift operations while retaining the ability to renew the blockade at any future time.

The British have now given complete clearance for the movement of additional B-29s from the US to the United Kingdom, though Foreign Secretary Bevin has requested that publicity be handled in such a manner as to avoid definitely linking this movement to the situation in Berlin.

NEAR EAST

We are informing our Missions in the Near East that we hope events of the next few days will make it unnecessary to evacuate American citizens from that region. If the situation deteriorates, the Missions are authorized to begin the evacuation of women and children as inconspicuously as possible through normal commercial means of transportation. They are not to undertake a general evacuation of Americans, except in case of an extreme emergency, without the prior approval of Washington.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, June 12, 1979

By NLT-~~ALC~~ 12958, Date 11-13-80 ~~CONFIDENTIAL~~



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

July 15, 1948

~~SECRET~~

SUMMARY OF TELEGRAMS

GERMANY We have informed Ambassador Douglas, in discussing the terms of the Soviet reply to our note on Berlin, that we consider it absolutely essential that all possible steps be taken before the Security Council and elsewhere to avoid having any move to lift the Berlin blockade by convoy or otherwise regarded as aggression. We feel that the American public must be assured of our best efforts to avoid the use of force. Douglas has indicated that he agrees with this position because of its importance to public opinion everywhere.

The preliminary reaction of the French Foreign Office to the Soviet note is that it represents a "stiff reply" and that the refusal to accept any conditions such as lifting the blockade before engaging in quadripartite talks is discouraging. However, the Foreign Office considers the note about what they expected and indicated that it did not alter any of their conclusions as to the appropriate course of action.

GENERAL Ambassador Harriman believes that the single most important aspect of western Europe today is the development of the will to resist internal and external aggression. However, he feels that this determination can be weakened by events and that the maintaining and strengthening of this will to resist is therefore fundamental to our policy. This should be accomplished both through the effective implementation of ERP and encouragement of the idea that we intend to help rebuild military defense against outside aggression.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1979

~~SECRET~~

By NLT-HC NAGS, Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

July 20, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMS

GERMANY Ambassador Douglas reports that Foreign Minister Bevin is now anxious to send a reply to the Soviet Union concerning the Berlin question without further delay in order to keep the initiative in our hands. He believes that while we should remain firm in setting forth our rights and rejecting the Soviet arguments, we should not close the door to discussions of our outstanding differences. Bevin feels we should indicate a willingness to discuss the entire "general situation" with the Soviets, but he does not believe we should raise the question of taking the dispute to the United Nations at this time.

Ambassador Smith in Moscow expresses the view that any move by the western powers to supply Berlin with an armed overland convoy would be met by the Soviets with armed force, since the whole position and prestige of the USSR would be at stake and Moscow would not be able to retreat. Smith feels that a "little shooting" would not necessarily produce a conflict, but he feels that all other possibilities should be exhausted before we attempt anything in the nature of armed convoys.

DECLASSIFIED

E.O. 12958, Sec. 3-402

Date Dept. Guidelines, June 12, 1979

NLT-HC HANS, Date 11-13-80~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

July 21, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

FRANCE Ambassador Caffery believes that the most probable solution of the French governmental crisis will be a new coalition along approximately the same lines as the previous Schuman cabinet, which solution he notes will hardly inspire public confidence. Caffery has little doubt that the present crisis, revealing the obvious lack of unity among the democratic forces of the center, has hurt the prospects of the center groups and correspondingly strengthened both the Communists and the de Gaullists.

AUSTRIA Our Minister in Vienna points out that while the recent Soviet note on Berlin may be a veiled threat to commence restrictive measures in Vienna, it would be difficult for Moscow to accomplish this without first effecting a complete partition of Austria between the Soviet and the western zones. For this reason he believes the Soviets may be reluctant to institute such measures, since it would constitute the kind of action for which they condemn the western powers and would clearly reveal that their objectives are actually the partition of Europe.

GERMANY Ambassador Murphy reports that the physical and economic plight of the western sectors of Berlin, now completely dependent on the air lift for both food and raw materials, is worsening daily. Sufficient food is being received to sustain life but not to maintain morale over an extended period, and the curtailment of industrial activities is leading to greatly increased unemployment.

We have informed Ambassador Douglas that our primary purpose in Berlin remains the lifting of the Soviet land blockade. While the Soviet offer to supply food to the western sectors of the city will have a propaganda value for the USSR, it does not solve the question of raw materials nor the blockade against the Allied forces and in no way alters our basic objective.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

~~TOP SECRET~~

By NLT-HC NARS, Date 11-13-80



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

July 26, 1948

~~SECRET~~
SUMMARY OF TELEGRAMS

ITALIAN
COLONIES

In view of the US, UK and French differences with respect to the future disposition of the Italian colonies and the fact that a proposal favorable to us would have but a slim chance of acceptance by the General Assembly in September, we are suggesting to our delegation in London that the only solution which will meet US and UK strategic requirements and still be acceptable to the General Assembly would be a proposal that final disposition of the colonies be postponed for another year.

KOREA

Our Political Adviser in Seoul reports that the people of South Korea are placing great stock in the prospect of soon attaining their own government and that any sign of weakness or vacillation on our part in turning over authority to the new government would be disastrous to our position in Korea. News from North Korea indicates that the people there are restive under Soviet rule and are pleased with developments in South Korea.

TRANSJORDAN

Our Consul General in Jerusalem suggests that, in view of Transjordan's key role in securing Arab acceptance of the present and previous truces in Palestine and the fact that Transjordan continues to be a prime factor for peace and moderation within the Arab League, we should give serious consideration to extending diplomatic recognition to Transjordan at this time.

GERMANY

Our Embassy in Moscow comments that it has not detected any real evidence of an urgent Soviet desire to negotiate on overall German questions and that the Kremlin is apparently primarily interested at this time in liquidating Berlin as a center of western influence. The Embassy believes that Moscow feels sure of winning the battle for Berlin within the next few months and will therefore make very heavy demands before agreeing to terminate the present blockade.

Ambassador Douglas reports that Bevin remains completely firm in his approach to the Berlin crisis. He is determined not to withdraw from Berlin under pressure, not to cancel measures already planned for western Germany, and not to make any commitments with reference to a CFM meeting on Germany, beyond an agreement to convene the Foreign Ministers, while the Soviet blockade remains in effect.

DECLASSIFIED

E.O. 12035, Sec. 3-402

~~SECRET~~

State Dept. Goldcliff, Jan 12, 1979

EX-111 11-13-60



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

July 27, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMSPALESTINE

The Chief Irgun political officer has informed our Consul General in Jerusalem that the Israel Government is determined to obliterate all opposition and is therefore expected to launch an attack on the Irgun forces this week. He indicated that Irgun will reply with force if necessary. This officer added that while Irgun opposed the internationalization of Jerusalem, it would not oppose this move by force.

ITALIAN
COLONIES

The British are not favorably disposed toward our proposal that the General Assembly be asked to defer final action on the Italian colonies for another year. The British pointed out that this would leave them with a heavy military and financial burden for another year and that the delay would give nationalist elements in the colonies an opportunity for further agitation. The French fear that the USSR might use this proposal in an effort to gain entry into the administration of the former Italian colonies.

GERMANY

The Soviets are reported to be taking unilateral action in supplying fuel and power to certain factories and shops in the western sectors of Germany. This move is seen as evidence that the Soviets are feeling the pinch of the blockade and need certain supplies from the west or that they are endeavoring to use this device to gain control over key industries in the western sectors of the city.

Our representatives in London have reached considerable agreement on a line of action in the Berlin situation to include (1) a brief presentation to Molotov requesting an interview with Stalin, (2) an oral approach by the three western Ambassadors to Stalin on the basis of an agreed paper and (3), in the event this course fails, the presentation of a strong note concluding with the proposal that the Berlin problem be referred to the United Nations.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT/HG 1002, Date 11-13-84



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

August 2, 1948

DECLASSIFIED

E.O. 12065, Sec. 3-402

Date Dept. Declassified, June 12, 1979

NLT-HL 11/13/81SUMMARY OF TELEGRAMSPALESTINE

Bernadotte has informed Macdonald, our Consul General in Jerusalem, that he is very disappointed and discouraged with the lack of support from the United Nations and particularly the US in providing him with the necessary personnel and equipment and that he is not prepared to continue in his task under such conditions. Macdonald says that it is perfectly true that Bernadotte cannot accomplish his task with the small force he now has, that the situation is steadily deteriorating, making it more difficult and probably impossible to demilitarize Jerusalem. Macdonald feels that the resignation of Bernadotte at this time would preclude any possibility of the United Nations finding a solution to the Palestine problem and that the US would be blamed by both sides for the consequences. Bernadotte has requested a Marine unit of 85 men to guard demilitarized areas in Jerusalem for 60 to 90 days when he hopes an international force can have been recruited. Macdonald states that our proposal that Jewish-Arab police force be recruited is impracticable due to the deeply rooted hatred on both sides. Bevin has instructed British representatives in Transjordan to emphasize to Bernadotte the necessity of setting up machinery as soon as possible to handle truce violations.

BERLIN

Ambassador Smith and the British and French representatives will be received by Stalin at 9:00 P.M. today, Moscow time. Molotov told Smith in his preliminary interview that he hoped Smith would understand that the measures taken in Berlin were necessitated by the action of the western powers following the London conference with respect to currency and the implementation of the decisions of the conference.

We have informed Douglas that we are firmly convinced that, in the event the conversations in Moscow fail, the Berlin question should be referred to the Security Council; Douglas states that he believes the British will agree to this approach. As the Soviet veto would bar any formal Security Council action, we believe that the form of our approach to the Council becomes largely a matter of adopting a course which will enable the largest number of favorable votes to be cast. We have prepared a preliminary draft of a note to be sent to the Soviets in the event of the failure of the talks in which we state that the Soviet action constitutes a grave encroachment on the military position of the US and that, if the blockade is not promptly lifted, we shall have no choice but to request the Security Council to take the matter under consideration as a threat to the peace.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

August 5, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

PALESTINE Our Consul General in Jerusalem believes that while it is still possible to secure the internationalization of that city, the first step should be the demilitarization of Jerusalem backed by an international force of such strength as to command the respect of both the Jews and the Arabs. If some force of this nature is not available immediately, he feels that the project for demilitarization should be abandoned.

IRAN Our Embassy in Tehran understands that the Soviet Ambassador to Iran has recently demanded the removal of the American military missions in that country and the cancellation of the present arms credit program. Both the Soviet Ambassador and Military Attache now plan to leave for the USSR, which one Iranian official believes may portend a very significant change in relations between the two states.

GERMANY The Soviet Military Government in Berlin has proposed through an intermediary the unblocking of all city and western sector Soviet mark accounts under certain conditions which would give the USSR tight control over currency issues. Two pro-western German papers have described the proposal as setting conditions which would give the Soviet Zone Currency Bank virtually complete control over the circulation of currency in the western sectors of the city.

Our Consul General in Bremen reports that the Berlin situation has had the effect of unifying all the non-Communist political parties and entirely isolating the Communists. There is now a feeling of common responsibility to strengthen western Germany, and in that way ultimately to help the eastern zone, which was lacking before.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1979

by NLT-HC Date 11-13-84



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

August 10, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMS

PALESTINE Our Mission in New York is growing more and more concerned over reports which indicate that Israel is becoming increasingly intransigent with regard to Jerusalem, the UN Mediator and observers, the Truce Commission, fighting personnel and war material. Even while discounting these reports heavily, the Mission feels the situation is serious enough to warrant our making representations to the Israel Government lest the action of irresponsible elements continues unchecked and does irreparable damage to the Jewish position before the Security Council and in the eyes of the world.

GERMANY In presenting the Soviet counter-proposals for a solution of the Berlin question to the western Ambassadors yesterday, Foreign Minister Molotov insisted that (1) quadripartite control of Berlin had been terminated as a result of the London agreements on western Germany and could not be restored until there was full quadripartite control for Germany as a whole and (2) the Soviet zone currency must be issued for Berlin under the sole authority of the Soviet military government. He further indicated a desire for some statement with respect to the London agreements. Ambassador Smith informed Molotov that he considered this proposal to be unsatisfactory.

DECLASSIFIED

TOP SECRET

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By HLT-NC HARS, Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

August 11, 1948

~~TOP SECRET~~
SUMMARY OF TELEGRAMSCHINA

Ambassador Stuart reports that he is in full agreement with the senior military officers on his staff that while there remains some hope for the Chinese national government, the tide continues to run against the Chiang Kai-shek regime and we should be prepared to meet a serious political crisis which may occur at any time. These advisers point out that in the face of a gloomy military picture, the government continues to ignore competent military advice; on the economic front the government is incapable of finding a satisfactory solution so long as it maintains the present large military establishment; and on the psychological front there is now a spirit of defeatism throughout the country including some men of cabinet rank and at the same time universal criticism of Chiang for his ineffective leadership.

GERMANY

The US, UK and French governments are in agreement that the proposed Soviet draft on the Berlin situation is entirely unsatisfactory. Bevin has forwarded to the British representative in Moscow strong reservations on practically every point in the Soviet proposal, with which we concur. We are also informing Ambassador Smith that it seems apparent the Soviet government is seeking to establish the thesis that quadripartite control of Germany and consequently of Berlin has lapsed and therefore the only four-power agreement on Berlin will be the one now in the process of negotiation. We cannot accept this position and are instructing Smith to include in the record, in order to avoid future misunderstandings, a statement that all previous four-power agreements with respect to Germany continue in effect and cannot be abrogated by the unilateral assertion of the Soviet Union.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT-NC 10000, D-10 11-12-80

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

DECLASSIFIED

E.O. 12958, Sec. 3-402

Date Dep't. Declass. June 12, 1979

August 13, 1948

HLT-44-11-13-20

SUMMARY OF TELEGRAMSCHINA

We are instructing Ambassador Stuart that we have no intention of again offering our good offices as mediator in China and that the US must not give any indication of support or encouragement for a Chinese coalition government including the Communists. At the same time Stuart should avoid indicating overt US opposition to a compromise settlement, since this might imply US support and encouragement of the present civil war.

KOREA

Our political adviser in Seoul points out that, since the whole chain of events now taking place in our relations with Korea is based on a General Assembly resolution, we might lose all that we have gained if we initiate the withdrawal of troops, with publicity, before the General Assembly has again considered the Korea problem and reached some decision on it.

PALESTINE

We are advising our Embassy in London that we feel the US and UK should avoid any action which appears contrary to the UN resolution on Palestine but should rather work for improvements in the partition decision, secured through Arab-Jewish negotiations, which will make it more acceptable to both parties. We concur in the British view that political or economic union between the Arab and Jewish states in Palestine is unrealistic and impractical. We continue to believe that Jerusalem should not be placed under the sole authority of either side and that some degree of UN responsibility is still essential, perhaps through a condominium including the Jewish and Arab states. We would favor having the UN Mediator lay down a frontier between the two states which could only be changed through the United Nations.

GERMANY

Ambassador Smith reports that while yesterday's sessions with Molotov began in a cooler atmosphere than before, Molotov did not as on previous occasions reject our position in Berlin, nor did he assert that quadripartite control in Germany had lapsed. His conversation seemed to be generally exploratory, and as the discussions progressed he grew more reasonable. At one point Smith felt that Molotov was prepared to accept the western position, but he finally stated that he would refer the question to his government and report back later.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

August 16, 1948

~~SECRET~~

SUMMARY OF TELEGRAMS

BRITAIN

Reviewing the position of the British Labor Government following its third year in office, Embassy London points out that while Labor has lost support throughout the country there is no strong trend toward the Conservatives. Elections today would probably return a Labor majority, though it is recognized by all that the Conservative Party machine has been completely reorganized and is now excellent. The Embassy predicts that the Labor Government will probably choose to hold the next elections between June and December, 1949.

GERMANY

Ambassador Murphy reports that although the semblance of unified Berlin city government is still being maintained, unity is only a fiction in the most important branches of the government. Recent developments also illustrate clearly that simultaneously with Soviet efforts to split or neutralize the present city government, agencies entirely under Soviet control are attempting to usurp the functions of the city government. This process has proceeded with undiminished tempo during the current negotiations in Moscow.

Ambassador Caffery finds that officials in the French Foreign Office are currently confident an agreement on Berlin can be reached in Moscow, but doubtful that any agreement can be reached on four-power control of Germany. These officials are therefore inclined to the view that when any new quadripartite talks on Germany break down, the western powers should be prepared to seek a formula with Moscow for maintaining relations between eastern and western Germany without unnecessary and unavoidable frictions.

TRIESTE

Our Political Adviser in Trieste finds some evidence that the split within the local Communist Party may develop into large scale disturbances and perhaps rioting between the two factions of the Communist Party.

DECLASSIFIED

E.O. 12958, Sec. 3.402

State Dept. Records, June 12, 1979

By NLT: 146 Date 11-12-84 ~~SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

August 24, 1948

~~SECRET~~SUMMARY OF TELEGRAMSSOVIET UNION

Our Embassy in Moscow suggests that the Soviets will make a strong case at the forthcoming General Assembly for the "representative" character of the Soviet-dominated north Korean government, allegedly formed on the basis of a mandate from the people of all Korea, as compared with the reactionary and non-representative character of the south Korean government formed under general UN supervision.

On the Greek question our Embassy in Athens feels that the Soviets will attempt to divert attention from the question of satellite aid to the guerrillas with a strong attack on the internal policies of the Greek government, perhaps proposing as one approach to the guerrilla problem a "cease fire" order along the lines adopted by the United Nations in the Palestine case.

GERMANY

The three western representatives in Moscow last night reached preliminary agreement with Stalin and Molotov on (a) a directive to the four military governors in Berlin to settle within one week conditions governing the removal of transportation restrictions and the introduction of the Soviet currency under quadripartite control and (b) a joint communique on the whole Berlin situation to be issued by the four powers upon the completion of a satisfactory agreement in Berlin. These drafts have been referred to the US, UK and French governments for final approval.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

~~SECRET~~

NAT 46 11-13-79



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

August 25, 1948

~~RESTRICTED~~SUMMARY OF TELEGRAMSGERMANY

We have informed Ambassador Smith in Moscow that the proposals advanced by Stalin and Molotov for a settlement of the Berlin question, and particularly Molotov's refusal to accept the word "quadripartite", appear to reflect the Soviet thesis of unilateral control over Berlin. Since this issue is fundamental to the whole question, we cannot accept the present Soviet drafts. We consider it essential that agreement be reached on a basis which does not impair our rights, duties and obligations in Berlin, and are therefore suggesting some changes which will make the principle of quadripartite administration clearer.

YUGOSLAVIA

Our Embassy in Belgrade transmits as possibly true a current report that anti-Tito Yugoslavs who were imprisoned in the USSR in 1945 have now been returned to Yugoslavia. Some estimates place the number of these persons as high as 6000.

DECLASSIFIED

E.O. 12055, Sec. 3-402

State Dept. Guidelines, June 12, 1979

NY NLT-44-11783, Date 11-13-84

~~RESTRICTED~~



THE SECRETARY OF STATE

WASHINGTON

August 30, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

WESTERN
EUROPE

We have informed our Missions in western Europe that while we will avoid premature endorsement of any specific proposal for the unification of Europe, we intend to encourage publicly and privately the progressively closer integration first of free Europe and eventually of as much of Europe as possible. We feel that unless there is progress toward unification, our efforts to reestablish the European economy will not be fully effective.

EAST WEST
TRADE

Ambassador Harriman is being asked to initiate discussions with the ERP countries on the subject of east-west trade in conformity with the position established by the National Security Council, the Cabinet and the ECA Act. The basic principles governing these discussions should include (1) the necessity for maintaining east-west trade in order to assure the recovery of western Europe and (2) our desire to maintain appropriate security measures so that the strength of the west is always increased relative to that of the east.

GREECE

We have agreed to join with the British and French in representations to the Albanian government, through the French Minister in Tirana, on the subject of Albanian assistance to the Greek guerrillas. The Greek government has already expressed its appreciation at this move, which it feels will go far toward restraining Greek military authorities.

GERMANY

Following upon their agreement with Molotov on last Friday concerning the basic outlines of a directive to the four military governors in Berlin, the US, UK and French representatives will see Molotov again today to clarify the remaining points at issue and to agree on an interim communique. The three western representatives have also been instructed to express to Molotov our feeling that the recent disturbances in Berlin are not conducive to the development of an atmosphere in which the military governors might be able to reach agreement. We therefore feel that steps should now be taken to restore law and order in Berlin.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT-AC 11/13/80

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

August 31, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMSITALIAN
COLONIES

The British have informed Ambassador Douglas that our proposal for the return of Italian residents to Tripolitania and northern Eritrea has made the British position very difficult, since it will tend to jeopardize law and order in territories for which the UK is responsible and will tend to increase tension between the UK and Italy just at the time Italian adherence to Western Union is under discussion.

MIDDLE
EAST

The Secretary General of the Arab League has indicated to the British representative in Cairo that the situation concerning Arab refugees in the Middle East is "to some extent in hand" at the moment and that all the Arab states except Iraq have spent considerable sums on the refugee problem. However, he pointed out that the difficulties in the situation were still immense and that the refugees in Transjordan and central Palestine constituted a particular source of danger.

FRANCE

Our Embassy in Paris points out that the task of forming a new French government is more complex than ever before due to the recent increase in intra-party cleavages which have further tended to fractionalize the National Assembly. Almost all the parties are divided into small factions and there is little prospect of achieving unity of action.

GERMANY

In Moscow yesterday Foreign Minister Molotov agreed to forward the agreed quadripartite directive to the four military governors in Berlin at midnight last night but flatly refused to accept any interim communique reporting this decision and insisted that the basic communique was not an agreed document until we included a further paragraph concerning the London agreements on western Germany. Ambassador Smith comments that the atmosphere of the conference was generally hostile and unpleasant.

DECLASSIFIED

E.O. 11652, Sec. 3-602

State Dept. Declass. Sec. 12, 1979

~~TOP SECRET~~By NLT-ALC Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

September 10, 1948

~~SECRET~~SUMMARY OF TELEGRAMS

AUSTRIA The French Foreign Office agrees with us that the issue of an Austrian treaty should be kept alive, but it would prefer to have this matter held over until the result of the present negotiations on Berlin is known. At that time the Austrian question might be placed on the agenda of any scheduled CFM meeting or might again be referred to the CFM deputies.

GERMANY The Soviet Commandant in Berlin has replied to the protest delivered by the US Commandant concerning the demonstrations held in the city assembly on September 6, flatly denying our charges and rejecting our protest. The answer evades certain specific questions raised by the US Commandant, but implies that in the future the safety even of American personnel will not be guaranteed in the Soviet sector.

ITALIAN COLONIES The British Foreign Office has informed Embassy London that the UK is now determined to present to this year's General Assembly the proposal for a British trusteeship over Cyrenaica. Despite an awareness of considerable unfavorable sentiment among Assembly members, the British do not agree with us that their chances will be better in the next regular GA session.

INDONESIA We are authorizing our Consul General in Batavia, at his discretion, to inform the Indonesian Premier that (1) we will in every practical way assist the democratic non-Communist government of Indonesia to resist Communist tyranny, (2) we believe the stability of his regime can best be assured through the acceptance by both the Dutch and the Indonesians of just principles for a settlement of their dispute, and (3) we will support the extension of financial assistance in which all the states of a peaceful Indonesian federation would share.

DECLASSIFIED -

E.O. 12958, Sec. 3.402

State Dept. Dec 12, 1979

~~SECRET~~By NLT *HC* 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

September 13, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMSGERMANY

Ambassador Smith has been instructed to request together with his British and French colleagues another interview with Stalin and Molotov on the question of Berlin. They are to present an agreed aide memoire pointing out the differences which developed during the recent Berlin negotiations and to request the Soviet government to send fresh instructions to its military commander. If the Soviets agree to send new instructions, the meetings of the military governors are to be restricted to three days. If the Soviets refuse or fail to give a clear answer, the western representatives are to refrain from any further discussion and report back to their governments.

PALESTINE

Count Bernadotte has informed our Embassy in Cairo that he believes the Arab attitude toward the Palestine problem has changed for the better. While the road to agreement is still difficult, he feels there is now less danger of hostilities. Bernadotte is convinced that the Palestine question must be brought before the General Assembly. While he does not feel the truce will break down before the General Assembly sessions, he considers that failure to reach agreement in Paris will lead to the collapse of the truce.

We have informed our Embassy in Cairo that while no public funds are now available for the relief of the Arab refugees, we have had considerable success in our approaches to various private bodies for aid in meeting this problem. We are now waiting for specific recommendations on this question from Bernadotte and the new refugee administrator in the Middle East.

SCANDINAVIA

Norwegian officials have informed our Embassy in Stockholm that they were pleasantly surprised with the results of the recent Scandinavian conference. They found the Swedish stand on neutrality not nearly as intransigent as they had feared and felt that the Danish officials showed they had come a long way toward realizing their position vis a vis the western powers since last spring.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, June 12, 1979

~~TOP SECRET~~

By 101-414 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

September 14, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMS

MOSCOW In response to his request for an interview with Stalin and Molotov, Ambassador Smith has been informed that Stalin is outside Moscow on a vacation which cannot be interrupted for the purpose of further discussions on the Berlin situation. The three western representatives immediately requested an interview with Molotov alone. They are hopeful they may be able to see him this afternoon but are pessimistic as to the outcome of the discussions.

PARIS Ambassador Douglas has been given a statement fully authorizing him to represent the Secretary in the CFM meeting on the Italian colonies, and, within the limit of his instructions, to make decisions on behalf of the US Government. Douglas feels, as a result of yesterday's meeting, that the whole session may turn on this single issue. He considers it quite probable that this problem has been raised because Vyshinski does not have full powers to represent the Soviet Government.

CAIRO The Secretary General of the Arab League has informed Embassy Cairo that while no definite decision has yet been taken, the Arab states have decided not to discuss any settlement of the Palestine problem until the right of the Arab refugees to return to their homes has been acknowledged by the United Nations and accepted by Israel.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT-*AK* 11-13-80~~TOP SECRET~~



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

September 15, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

BERLIN

Molotov informed the three western representatives in Moscow yesterday, after reading their aide memoire summarizing the three basic points of disagreement which had blocked the negotiations in Berlin, that he considered this a one-sided and incorrect statement of the position of the Soviet Military Governor and also an incorrect version of the directives previously agreed on in Moscow. He first proposed that the question be referred back to Berlin, but then promised to give the Soviet reply without this step "as soon as possible". Ambassador Smith concludes that the interview confirmed his pessimistic forecast and that both he and the British representative feel it is now clear that the USSR is merely playing for time and is willing to prolong negotiations in one form or another indefinitely and that Moscow desires to place on the western powers responsibility for any break in the negotiations.

HYDERABAD

We are instructing our Ambassador in New Delhi to inform the Indian government that we feel it might derive significant advantages by proposing a course of action by which the United Nations could contribute to an early solution of the Hyderabad problem. While we have always favored the close association of all the princely states with either India or Pakistan and are generally sympathetic to the Indian position, we have not yet fully formulated our position on the present issue and do not in any way condone the use of force respecting Hyderabad. We are also informing our representative on the UN Kashmir Commission that we feel the death of Jinnah and the Indian invasion of Hyderabad have created a new situation and that the Kashmir Commission should therefore remain in the area pending further developments.

DECLASSIFIED

E.O. 12958, Sec. 3-402

Date Dep't. Collection, June 12, 1979

NYLT-44-1113-40

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

September 20, 1948

~~SECRET~~SUMMARY OF TELEGRAMSGERMANY

The three western representatives in Moscow have concluded that the Soviet reply to our recent aide memoire contains no basis for any hope that the USSR is willing to seek a satisfactory agreement with the west over Berlin. While the Soviet reply itself and Molotov's attitude during the Saturday meeting were not unreasonable, no satisfaction was given on the three points at issue and in one respect deny an agreement previously made by Stalin. Smith concludes that the USSR is now thinking in tactical terms rather than of genuine agreement and desires to prolong discussions and to shift to the western powers, under the most unfavorable possible circumstances, responsibility for breaking off negotiations.

The three western representatives in Moscow together with General Clay and Ambassador Murphy in Berlin have been instructed to go to Paris for further consultations on the whole Berlin question.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT-*NC* [unclear], Date *11-12-76*~~SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

September 21, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

SPAIN

The Acting Vatican Secretary of State has expressed the opinion to our representative that the general outlook for Spain is now more encouraging following the recent meeting between Franco and the pretender Don Juan. In the opinion of the Vatican a republican form of government in Spain would "cause another revolution" but that this meeting, which brought together the two people whose collaboration is "necessary and essential" to effect a peaceful evolution in Spain, had done much to reassure the people and allay their fears of grave internal disorders.

PALESTINE

Our representative in Tel Aviv has been informed that the Provisional Government of Israel at noon yesterday issued a 24-hour ultimatum to the Irgun to surrender their arms and enlist in the Israel army or to face an attack by the Israel forces. The ultimatum expires at noon today and the Foreign Minister stated that Israel would proceed with the attack unless they were attacked prior to that time by the Arabs.

IRAN

Following a long conversation with the Shah, Ambassador Wiley reports that the Shah is becoming much more intolerant of the Iranian parliament but has so far failed to form any effective political group of his own. Wiley does not believe the Shah is yet ready to precipitate action but feels that the situation will demand constant watching.

~~TOP SECRET~~

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT-46 MMS, Date 11-13-40

BERLIN The Secretary has agreed with Bevin and Schuman on the delivery to the Soviets today of a note stating that the Soviet reply to our last aide-memoire is unsatisfactory, that the three powers will not participate in further discussions on the Berlin situation while the blockade continues, and that it is now clear that the difficulties which have arisen derive from fundamental differences of views and not technical difficulties. The note asks the Soviet government whether it is prepared unconditionally to lift the blockade and states that the three Foreign Ministers wish to have a reply by September 29. Our representatives feel that, although this does not constitute the final note ending with a statement of our intention to refer the Berlin question to the UN which we had originally desired, the note comes far to meet our views in squarely demanding that the Soviets lift the blockade as a condition for further discussions and in setting a time limit for a reply. The Secretary has received categorical assurances from Bevin and Schuman that the matter will be referred to the UN without further delay in the event that the reply is unsatisfactory.

DEPARTMENT OF STATE

FOR THE PRESS

September 26, 1948

CAUTION No. 779
FUTURE RELEASE
NOTE DATE

CAUTION: Hold for publication at 12:01 EST,
Monday, September 27, 1948. Not to be previously
published, quoted or referred to in any way.

FOR THE PRESS

(Text of Note Addressed to the Soviet Government on September 26 by the Governments of the United States, the United Kingdom, and France)

"1. The Governments of the United States, France and the United Kingdom, conscious of their obligations under the Charter of the United Nations to settle disputes by peaceful means, took the initiative on July 30, 1948 in approaching the Soviet Government for informal discussions in Moscow in order to explore every possibility of adjusting a dangerous situation which had arisen by reason of measures taken by the Soviet Government directly challenging the rights of the other occupying powers in Berlin. These measures, persistently pursued, amounted to a blockade of land and water transport and communication between the Western Zones of Germany and Berlin which not only endangered the maintenance of the forces of occupation of the United States, France and the United Kingdom in that City but also jeopardized the discharge by those Governments of their duties as occupying powers through the threat of starvation, disease and economic ruin for the population of Berlin.

"2. The Governments of the United States, France and the United Kingdom have explicitly maintained the position that they could accept no arrangement which would deny or impair the rights in Berlin acquired by them through the defeat and unconditional surrender of Germany and by Four-Power agreements. They were, however, willing to work out in good faith any practical arrangements, consistent with their rights and duties,

for restoring to normal the situation in Berlin, including the problems presented by the existence of two currencies in that City.

"3. After long and patient discussion, agreement was arrived at in Moscow on a directive to the four Military Governors under which the restrictive measures placed by the Soviet Military Government upon transport and communications between the Western Zones and Berlin would be lifted simultaneously with the introduction of the German mark of the Soviet Zone as the sole currency for Berlin under Four-Power control of its issue and continued use in Berlin.

"4. In connection with the lifting of restrictions and the maintenance of freedom of communication and the transport of persons and goods between Berlin and the Western Zones, the agreed directive provided that restrictions recently imposed should be lifted. Generalissimo Stalin during the discussions personally confirmed that this meant the removal also of any restrictions imposed prior to June 18, 1948.

"In connection with the currency situation in Berlin, the Soviet authorities insisted that the German mark of the Soviet Zone be accepted as the sole currency for Berlin. The three Western occupying powers declared that they were ready to withdraw from circulation in Berlin the Western mark "B" issued in that City and to accept the German mark of the Soviet Zone subject to Four-Power control over its issuance, circulation and continued use in Berlin (i.e., in Berlin only and not in the Soviet Zone). After long discussions Generalissimo Stalin, on August 23rd 1948, personally agreed to this

Four-Power control and himself proposed the establishment of a Four-Power Financial Commission which would control the practical implementation of the financial arrangements involved in the introduction and continued circulation of a single currency in Berlin and which, Generalissimo Stalin specifically stated, would have the power to control the German Bank of Emission of the Soviet Zone in so far as its operations with respect to Berlin were concerned.

"5. It was with these understandings, personally confirmed by Generalissimo Stalin, that the agreed directive was sent to the four Military Governors in Berlin to work out the technical arrangements necessary to put it into effect.

"6. Despite these clear understandings, the Soviet Military Governor made it plain in the discussions held by the four Military Governors that he was not prepared to abide by the agreed directive.

"Although the directive called for the unqualified lifting of the restrictions on transport and communications between the Western Zones and Berlin, the Soviet Military Governor failed to comply. What is more, he demanded that restrictions should be imposed on air traffic. He endeavored to support his demand by a false interpretation of a decision of the Control Council of November 30, 1945. Actually during the discussions leading up to the decision of the Control Council of November 1945 to establish air corridors the Soviet military authorities in Berlin had suggested that the traffic in the corridors should be limited to the needs of the military forces. Neither the Control Council,

however, nor any other Four-Power body accepted this proposal and the traffic in the corridors has since been subject only to those safety regulations which were agreed on a Four-Power basis. Other than these agreed safety regulations, no restrictions whatsoever have been or are in existence on the use by aircraft of the occupying powers of air communications in the corridors between Berlin and the Western Zones of Germany.

"In regard to Four-Power control of the German mark of the Soviet Zone in Berlin, the Soviet Military Governor refused to admit, despite the agreement in Moscow, that the Financial Commission should exercise control over the operations with respect to Berlin of the German Bank of Emission of the Soviet Zone.

"Furthermore, with respect to the question of the control of the trade of Berlin, the position of the Soviet Military Governor amounted to a claim for exclusive Soviet authority over the trade of Berlin with the Western Zones of Occupation and with foreign countries. This claim was a contradiction of the clear meaning of the agreed directive to the Four Military Governors.

"7. Even while discussions were in progress, the Soviet authorities in Berlin tolerated attempts on the part of minority groups sympathetic to their political aims forcibly to overthrow the legal government of the City of Berlin, constituted by democratic elections held under Four-Power supervision. On August 30 the representatives of the three Western occupying powers in Moscow had drawn Mr. Molotov's attention to the disturbed situation in Berlin. They suggested that instructions be sent to the Four Military Governors that they should do

all in their power to preserve a favorable atmosphere in Berlin, but Mr. Molotov claimed that such instructions to the Soviet Military Governor were unnecessary. Nevertheless, after that date these attempts to overthrow the City Government increased in violence.

"8. On September 14, 1948 the representatives of the Governments of the United States, France and the United Kingdom, acting on specific instructions, called the attention of the Soviet Government to the Soviet Military Governor's disregard of the agreements reached during the Moscow discussions and requested that he be instructed to give effect to them.

"9. The Soviet Government's reply of September 18, however, upheld the Soviet Military Governor's position. The Soviet Government further confirmed its intention to disregard its commitment to lift the restrictions imposed on transport and communications by seeking to impose restrictions which had not before been in effect.

"With respect to trade, the Soviet requirement that the licensing of trade with Berlin be placed in the hands of the Soviet military authorities made plain the Soviet Government's intention to obtain exclusive control over the trade of Berlin.

"As regards the powers of the Four-Power Financial Commission, the Soviet reply asserted that the Western occupying powers desired to establish control over all operations of the German Bank of Emission. In fact the United States, the United Kingdom and French Military Governors sought only to secure the Soviet Military Governor's acceptance of the agreed principle that the Four-Power Financial Commission should control the

operations of the Bank with respect to the financial arrangements relating to the currency changeover and to the continued provision and use of the German mark of the Soviet Zone in the City of Berlin, (i.e., in Berlin only and not in the Soviet Zone). In the light of Mr. Molotov's statements during the discussion of the Soviet reply, it became clear that no assurance was given that the Soviet Military Governor would be prepared to proceed on the previously agreed basis. Thus in this matter as in others, the intention of the Soviet Government was manifestly to impose conditions nullifying the authority of the Western occupying powers and to acquire complete control over the City of Berlin.

"10. For the Governments of the United Kingdom, the United States and France to continue discussions ^{fundamental} when agreements previously reached had been disregarded by the Soviet Government would have been futile. It would have been equally fruitless to continue ^{such} discussions in the face of the unmistakable intention of the Soviet Government to undermine, and indeed to destroy, the rights of the three Governments as occupying powers in Berlin as a price for lifting the blockade, illegally imposed in the first instance and still unlawfully maintained. The Three Governments therefore despatched identical notes on September 22nd to the Soviet Government. In those notes after restating their position on the specific points at issue they asked the Soviet Government whether it was prepared to remove the blockade measures which it had imposed and thereby to establish conditions which would permit a continuation of discussions.

"11. The reply of the Soviet Government in its notes to the three Governments of the 25th September, 1948 is unsatisfactory.

"As regards the introduction and continued circulation and use in Berlin of the German mark of the Soviet Zone, the Soviet Government misrepresents the position of the Three Western Occupying Powers. The latter have made it clear from the outset that they do not desire to exercise any control over the financial arrangement in the Soviet Zone of occupation, but are insisting on those conditions only which would provide adequate Four-Power control over the financial arrangements for the introduction and continued circulation and use of the German mark of the Soviet Zone as the sole currency in Berlin.

"As regards control of the trade of Berlin the Soviet Government contrary to its previous attitude now states its willingness to agree to the establishment of Four-Power control over the issuance of licenses for the import and export of goods provided that agreement is reached on all other questions. It is clear, after more than six weeks of discussions, from the Soviet Government's persistent refusal to remove the blockade measures and its continued insistence on other conditions which would enable it to destroy the authority and rights of the United Kingdom, the United States and France as occupying powers in Berlin that this conditional concession is illusory.

"As regards air traffic between Berlin and the Western Zones of occupation, the Soviet Government, while neither affirming nor withdrawing the demand for the particular restrictions put forward by the Soviet Military

Governor during the discussions in Berlin and confirmed in its reply of September 18th, introduces another requirement to the effect that transport by air of commercial freight and passengers must be placed under the control of the Soviet command.

"The Soviet Government's note of September 25th therefore not only ignores the request of the three Governments that the blockade measures should be removed in order that conditions may be established which would permit the continuation of discussions. It also seeks to impose restrictions on transport and communications between Berlin and the Western Zones which would place the maintenance of the forces of occupation of the three Western occupying powers and the whole life of the Berlin population within the arbitrary power of the Soviet command, thus enabling the Soviet military authorities to reimpose the blockade at any moment in the future if they so desired.

"12. Accordingly it is apparent that the Soviet Government had no intention of carrying out the undertakings to which it had subscribed during the Moscow discussions in August. In the face of the expressed readiness of the Governments of the United States, the United Kingdom and France to negotiate with the Soviet Government all outstanding questions regarding Berlin and Germany as a whole in an atmosphere free from duress, the Soviet Government has, in fact, persisted in using duress. It has resorted to acts of force rather than to the processes of peaceful settlement. It has imposed and maintained illegal restrictions amounting to a blockade of Berlin. It has failed to work out in

good faith Four-Power arrangements for the control of the currency of that City. Even while the Western occupying powers were seeking agreement on measures to implement the understandings reached in Moscow, the Soviet military authorities condoned and encouraged attempts to overthrow the legally constituted ^{municipal} ~~Government~~ of Berlin. These actions are plainly attempts to nullify unilaterally the rights of the western occupying powers in Berlin, which are co-equal with those of the Soviet Union and like them are derived from the defeat and unconditional surrender of Germany and from Four-Power agreements to which the Soviet Government is a party. Moreover, the use of coercive pressure against the Western occupying powers is a clear violation of the principles of the Charter of the United Nations.

"13. The issue between the Soviet Government and the Western occupying powers is therefore not that of technical difficulties in communications nor that of reaching agreement upon the conditions for the regulation of the currency for Berlin. The issue is that the Soviet Government has clearly shown by its actions that it is attempting by illegal and coercive measures in disregard of its obligations to secure political objectives to which it is not entitled and which it could not achieve by peaceful means. It has resorted to blockade measures; it has threatened the Berlin population with starvation, disease and economic ruin; it has tolerated disorders and attempted to overthrow the duly elected municipal Government of Berlin. The attitude and conduct of the Soviet Government reveal sharply its purpose to continue

its illegal and coercive blockade and its unlawful actions designed to reduce the status of the United States, the United Kingdom and France as occupying powers in Berlin to one of complete subordination to Soviet rule, and thus to obtain absolute authority over the economic, political and social life of the people of Berlin, and to incorporate the City in the Soviet Zone.

"14. The Soviet Government has thereby taken upon itself sole responsibility for creating a situation in which further recourse to the means of settlement prescribed in Article 33 of the Charter of the United Nations is not, in existing circumstances, possible, and which constitutes a threat to international peace and security. In order that international peace and security may not be further endangered the Governments of the United States, the United Kingdom and France, therefore, while reserving to themselves full rights to take such measures as may be necessary to maintain in these circumstances their position in Berlin, find themselves obliged to refer the action of the Soviet Government to the Security Council of the United Nations."



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

October 1, 1948

~~CONFIDENTIAL~~

SUMMARY OF TELEGRAMS

BERLIN Embassy Moscow hopes that our military leaders in Berlin will no longer feel restrained from taking measures to counter Soviet moves in the city and will go ahead in preparing the western sectors for indefinite operation as a going concern under blockade conditions. The Embassy believes that such a demonstration of our determination would not prejudice the presentation of our case to the Security Council but might well have a healthy influence on the Soviet attitude both in the Security Council and in Berlin.

AUSTRIA According to our Legation in Vienna, the Austrian representative in Moscow has derived the impression from a talk with the Soviet Foreign Office that the Soviets are ready to resume peace treaty talks if the initiative comes from the west and that the Yugoslav frontier issue is not important to them and would be abandoned if agreement is reached on other issues. The Austrian Foreign Minister is eager for us to propose to the Soviets the resumption of treaty negotiations but we are discouraging him from requesting us formally to do so until the repercussions of the breakdown of the Berlin negotiations are clearer. We are nonetheless assuring the Austrians that we are making preparations to raise the question of renewed negotiations at the first favorable moment.

SCANDINAVIA We have informed the Danes and Norwegians of the outcome of our discussions with the Western Union countries concerning an Atlantic defense pact. The Norwegian Foreign Minister has informed the Secretary in Paris that the Norwegians desire talks on such a defense arrangement but feel that it is important that discussions with the Swedes regarding Scandinavian defense take place first. He pointed out that Sweden is the only military power in Scandinavia and something more substantial might be created with Swedish cooperation than with Norway and Denmark alone. He is convinced, however, that a Scandinavian arrangement must be tied into a broader grouping. He questions the advantage to Norway of association with the present Western Union group and seemed to favor the North Atlantic concept.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, June 12, 1979

By NLT-HC Date 11-13-80

~~CONFIDENTIAL~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

October 13, 1948

~~TOP SECRET~~
SUMMARY OF TELEGRAMSCHINA

In reply to Embassy Nanking's recommendation that, in view of the critical Chinese economic situation, we be prepared to use all available China Aid funds for priority shipments of food to China and to grant China a loan for the purchase of silver, we have informed the Embassy that we do not believe that the benefits to be derived from such steps would warrant the drastic action required. The acceleration of the ECA program would exhaust the ECA appropriation before the end of 1948 and Hoffman is opposed to any request for ECA deficiency appropriations, while the diversion of funds from military aid and capital reconstruction would be inconsistent with the intent of Congress in appropriating the money. We and Treasury doubt the feasibility of buying silver for government expenditures, and funds for such a purpose could not be made available without congressional authority and could not properly be diverted from ECA appropriations.

PORTUGAL

The Portuguese Foreign Minister has informed our Ambassador in Lisbon that the Portuguese have been forced to adjourn indefinitely the projected visit of General Franco to Lisbon in view of the Spanish Foreign Minister's visit to the Argentine, in order to avoid any impression arising that a three power arrangement between Spain, Portugal and the Argentine is being made. The Foreign Minister stressed that Portuguese policy is oriented toward European unity backed by the US.

BERLIN

We have informed our UN delegation in Paris that, in the event we are asked in the Security Council whether we would still accept as a basis for negotiations the August 30 directive to the Military Governors drawn up during the Moscow talks, we consider the directive as interpreted by the western powers as being an acceptable solution to the Berlin problem, provided that the blockade is lifted. We do not consider, however, that we are legally bound by the directive and we feel that as at present drafted it is not satisfactory. We believe that, at some stage in the negotiations, it may be necessary to consider the use of a third currency in Berlin which would not give rise to the problems involved in ensuring that the currency needs of the western powers would be satisfied and that the Soviet Zone currency would be protected.

DECLASSIFIED

E.O. 1.1.11, Sec. 3-402

State Dept. Collection, June 12, 1979

By NLT-HC Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

October 14, 1948

SUMMARY OF TELEGRAMS

FRANCE French Prime Minister Queuille has informed Caffery that he feels that the strike situation has taken a turn for the better though the Communists will still make a desperate effort to prevent a government success with the coal miners. The French Ministry of the Interior has informed our Embassy that the danger of a railway strike has been averted, the steel strike is on the point of settlement and the coal miners strike will soon be over owing to lack of enthusiasm and the union's shortage of funds, the extent of Soviet strike aid having been disappointing to the CGT. Caffery says that French officials believe that the government will emerge from the present crisis considerably strengthened.

ERP We have informed our Embassy in Brussels that we fear that the lack of effective leadership in OEEC will jeopardize the success of ERP and have serious repercussions in Congress but that the best interests of this government would be served by Belgian Prime Minister Spaak exercising his influence from his present post of Chairman of the OEEC Council rather than by accepting the post of Director General of OEEC as proposed by Harriman. We feel that his withdrawal from the political leadership of Belgium would have an unfortunate effect in Belgium and upon the Benelux union and would result in minimizing the dominant role he is now playing in the Western Union and the UN.

BERLIN Our UN delegation reports that Vishinsky has insisted to the Argentine Foreign Minister who is acting as President of the Security Council that the Council has no jurisdiction in the Berlin case and that the Soviet Zone currency be introduced in the western sectors of Berlin as a condition for lifting the blockade. The Argentine Foreign Minister recognizes that Vishinsky's position is entirely unsatisfactory. The representatives on the Council of the six powers not involved in the Berlin dispute have assured our delegation that no resolution will be introduced by any of them without prior consultation with our representatives and our delegation believes that the six powers fundamentally support our position and will vote with us when the time comes.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, May 12, 1979

By NLT-HC 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

October 15, 1948

~~SECRET~~SUMMARY OF TELEGRAMSBERLIN

Our UN delegation reports that the Soviets, in their reply to the President of the Security Council on the Berlin question, are insisting that the matter be referred to the Council of Foreign Ministers which, they claim, should resolve the problem of Germany as a whole in addition to the situation in Berlin. These Soviet demands are in addition to their previously reported insistence that the Security Council remove the Berlin question from its agenda prior to any negotiations and that the Soviet Zone currency be introduced in Berlin simultaneously with the lifting of the blockade.

FRANCE

Our Embassy in Moscow believes that the current disturbances in France are probably deliberately calculated by the Communists to bring de Gaulle to power with the primary object of invalidating the London decisions on Germany and disrupting the unity of the western powers. They apparently believe that, in the light of de Gaulle's clearly expressed views, he would be second best only to a Communist government in France in achieving these Communist objectives and the French Communists who might be liquidated by him are clearly regarded by Moscow as being expendable.

YUGOSLAVIA

Embassy Moscow comments that the open publication of an anti-Tito Yugoslav newspaper in Praha and the recent criticism of Stalin himself in an official Yugoslav newspaper eliminate any possibility of a reconciliation, if the possibility of one ever existed. The Embassy believes that Tito's present isolation will in the long run force him inexorably toward better relations with the west.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, Jan 12, 1979

By NLT-ALC 12958, Date 11-13-20

~~SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

October 19, 1948

~~SECRET~~SUMMARY OF TELEGRAMS

GERMANY Embassy Moscow considers that while a proposal for the withdrawal of all occupation troops from Germany must still be very appealing to the Soviets, it does not appear likely that Moscow will formally advance such a proposition at this time. Since Soviet-Communist propaganda has been playing the withdrawal theme for almost a year now without greatly increasing the popularity of its cause, it would appear that little more could be gained for the Soviet cause by a formal presentation of this proposal to the other occupying powers. Furthermore, the possible effect of such a move on the Soviet satellites and on the Communist cause in France and Italy, as well as the necessity for maintaining a strong position as long as the blockade of Berlin continues, would be further deterrents.

Our delegation in Paris reports that the six neutral members of the Security Council are now working on a resolution concerning the Berlin case for possible presentation at today's meeting which provides for: (1) the removal of all Soviet restrictions on transportation and trade in Berlin, (2) acceptance of the Soviet currency under a system of quadripartite control to be worked out by the four powers within one month, and (3) the resuming of negotiations in the Council of Foreign Ministers on all questions concerning Germany. It is understood to be the intent of this resolution that these three steps would be taken in order and not simultaneously.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, June 12, 1979

By NLT-HC 11223, Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

October 28, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

CHINA

Ambassador Stuart reports that a recent conversation with one top Chinese official was quite indicative to him of the current befuddlement in high government circles and the obvious inability of the Chinese leaders to take any measures to help themselves. The Chinese Premier has also reported to our Embassy that on a recent trip to Peiping, Tientsin and Tsingtao he found everybody in an exceedingly depressed frame of mind.

KASHMIR

Embassy London reports that it is quite obvious the recent conversations in London between the Indian and Pakistan Prime Ministers made no noteworthy progress toward a settlement of the Kashmir problem and that it is now likely the Security Council will have to resume consideration of the case without any prospect for a direct settlement. British Foreign Office officials, however, do not take an altogether gloomy view of the situation, since they feel the two prime ministers worked together very well on Commonwealth problems while in London.

SCANDINAVIA

Norwegian Foreign Minister Lange has informed our Embassy in Oslo that while Denmark and Norway have urged Sweden to hasten the current defense discussions, he was not hopeful of the ultimate results. He felt they might be able to secure a regional defense agreement tacitly aimed at the USSR or an agreement for joint defense of a limited sector of Scandinavia. Lange also expressed the opinion that it would be better to allow the Scandinavian countries to operate a defense pact alone without tying it to Western Union, pointing out that even in Norway he had difficult problems before he could secure approval of a close alliance with the west.

BERLIN

Our representatives in Paris report that at yesterday's meeting of the three western foreign ministers on the Berlin problem, there was general agreement that we had already gone to the limit in accepting the Security Council resolution which the Soviets vetoed and that we should now do nothing which might appear to weaken our case. At the same time they felt it would be a mistake to attempt to take the matter to the General Assembly at this time and that the US, UK and France must be ready for further negotiations on this question, though without taking the initiative.

DECLASSIFIED

E.O. 12065, Sec. 3-402

~~TOP SECRET~~

State Dept. Guidelines, June 12, 1979

NY NLT- HC FILED, DATE: 11-13-79



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

October 29, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMSSOVIET UNION

Informed Hungarian opinion is hardening in the conviction that the USSR is now committed not merely to continuing the policy of "perpetual world crisis" but actually to planning war in the near future, according to our Minister in Budapest. These sources consider that recent events in Europe, interpreted in terms of Soviet psychology and Marxist ideology, provide evidences of war which it would be dangerous to disregard. According to this theory, the Soviets rejected the possibility of compromise over Berlin after the fall of the Schuman government in France demonstrated the weakness of the "third force" and indicated that the situation in France was favorable to Communist objectives. The Hungarians also assume that war between east and west is inevitable and that time is now working in favor of the west. Therefore they conclude that Moscow must initiate armed hostilities, though this will be done, in order to square with Marxist theories and to ensure the support of the working class, only after a build-up which clearly suggests that the west is the aggressor. The Hungarians feel that the Soviets may seek their opening by promoting such chaos and confusion that the USSR would have a pretext for taking action "to defend the workers' rights".

SCANDINAVIA

Ambassador Matthews reports various indications that the Swedes are considerably exaggerating their own military strength in an effort to persuade the Norwegians and Danes to join in a Scandinavian defense alliance based on neutrality. Not only do the Swedes appear to be honestly convinced of their ability to provide strong resistance to the USSR but there is also evidence they are deliberately attempting to convince their neighbors that Sweden's ability to give them protection should not be tossed away in return for association with a western defense system which is unable to provide them with armaments.

DECLASSIFIED

E.O. 12065, Sec. 3-002

Date Dept. Guidelines, June 12, 1979

NLI-146 HANDS. Date 11-13-60

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

November 1, 1948

~~SECRET~~
SUMMARY OF TELEGRAMSSOVIET UNION

Ambassador Smith considers that the recent Stalin interview is another example of the Soviet tactic of accusing others of doing what the USSR is doing or intends to do. Reviewed in this light, Stalin's declaration suggests that the USSR is not interested in reaching any agreement with the west on the Berlin issue. The French Ambassador in Moscow has already been indirectly advised that the omission of France from charges against the US and UK was a deliberate invitation to France to step out of the western bloc and adopt an attitude of neutrality. The French Ambassador notes that a similar invitation was addressed to his government by the Germans in 1914 and 1939. The message to the French Ambassador reiterated the argument that the US and UK do not want agreement and went on to say that the USSR is "ready to defend itself in armed hostilities" against the present threats from abroad.

INDONESIA

Our special representative in Batavia reports that while he has not been prone to predict a resumption of police action by the Dutch in Indonesia he cannot disregard indications from various different quarters suggesting that possibility. Our Ambassador at The Hague, while impressed with the sincerity and earnestness of the new High Commission to Indonesia, has learned from other sources that the Netherlands government is contemplating police action within the next few weeks and predicts that we should be prepared for this eventuality if the negotiations in Batavia break down after they are resumed.

GREECE

We are informing our representatives in Athens that we approve increasing the size of the Greek army by 15,000 subject to the conditions that (1) expenditures be met from the presently allocated military aid program, (2) the increase not involve additional military equipment, and (3) the 24-month service period be lengthened in accordance with demands of the present critical situation. We realize that this is not entirely satisfactory from the Greek standpoint but feel that we must forestall further delay by the Greek army on the illusion that increased forces will be made available to accomplish the task at hand.

DECLASSIFIED

E.O. 11652, Sec. 3-102

State Dept. Guidelines, June 12, 1979

NLT-HC 11652, D-10 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

DECLASSIFIED

E.O. 12958, Sec. 3.402

Dept. Guidelines, June 12, 1979

1-46 UNCS, Date 11-13-80

December 1, 1948

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

BERLIN We have informed our delegation in Paris that we consider the recent Sokolovski letter to the three western commanders in Berlin a blatant effort to place responsibility upon the western powers for the December 5 elections, making them appear responsible for splitting the city administration. Coupled with yesterday's developments in Berlin this supplies clear evidence that the Soviets are using illegal methods to secure control of the city. In our opinion these methods may well constitute a threat to the peace equivalent to that created by the blockade and should therefore not go unanswered by the western powers.

PALESTINE The initial Arab reactions to the Israeli application for UN membership, according to our delegation in Paris, reflect considerable anger, disappointment and further disillusionment with the US and UN despite all of the counter-arguments advanced by the US representatives. Virtually all the Arabs are unable to understand how a state with undefined boundaries and with a government recognized by only 17 nations can expect favorable action on its application for UN membership. However, no Arab state has threatened to withdraw from UN in the event Israel is elected, and our delegation feels that at this point it is impossible to predict what effect the application for membership may have on efforts to secure a peaceful settlement of the Palestine case.

ITALIAN COLONIES We have pointed out to our delegation in Paris that in formulating detailed positions on the Italian colonies, as the question comes up for voting, they must keep very much in mind the damaging effect which the US position may have on the present Italian government. They should make clear that the US position in favor of postponement of the final decision on Tripolitania does not preclude eventual Italian trusteeship, and if possible they should avoid voting against Italy on each phase of the resolution as it is debated. In the event our basic position cannot be secured in its entirety, we continue to favor postponement of a decision on all the colonies at this session of the General Assembly.

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

December 6, 1948

~~TOP SECRET~~SUMMARY OF TELEGRAMSINDONESIA

The conversations between Dutch Foreign Minister Stikker and Overseas Minister Sassen and Indonesian Prime Minister Hatta have broken down and the Dutch ministers are returning to The Hague and will recommend that a provisional federal government be set up in Indonesia immediately without the participation of the Indonesian Republic. The talks broke down over the insistence of the Republic that the Dutch enter into a gentleman's agreement not to use troops in the Republic's territory without the consent of the projected federal government in which the Republic would have been included and over the refusal of the Republic to accept a joint Dutch-Indonesian command over the Indonesian armed forces. Hatta has explained to our representative on the Good Offices Committee that his position with his military and the political parties in the Republic forced him to take the position he did. Though Stikker has urged the Dutch officials in Indonesia to keep the military in line, Hatta fears a renewed Dutch police action in connection with the establishment of a federal government excluding the Republic.

BERLIN

We and the Army feel strongly that preparations for the introduction of the western mark in Berlin as the sole legal tender should be completed at the earliest possible date. Such action would be taken consistently with our reservation, made in accepting the neutral UN currency commission, that we would remain free to take any steps necessary to preserve our position in Berlin. We feel that it is important, however, that introduction of the western mark should take place on the basis of a three power agreement. The British have now proposed the introduction in Berlin of a currency that would not be freely convertible into western marks, a proposal which our experts are inclined to support, though General Clay feels that such action would be politically disastrous and would drive the Berliners into the eastern orbit.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, June 12, 1979

NLT-ALC-11-13-80

~~TOP SECRET~~

~~TOP SECRET~~

NSC 24/1

COPY NO. 1



A REPORT
TO THE
NATIONAL SECURITY COUNCIL

by

THE SECRETARY OF STATE

on

FUTURE COURSE OF ACTION WITH RESPECT TO BERLIN

November 17, 1948

WASHINGTON

DECLASSIFIED

E. O. 12958, Sec. 1.02 and 1.04 of (1)

DATE 11-16-84 BY SP-11-84

For N.S. 11-11-84, 1153.5 Date 3-25-84

~~TOP SECRET~~

NOTE BY THE EXECUTIVE SECRETARY

to the

NATIONAL SECURITY COUNCIL

on

FUTURE COURSE OF ACTION WITH RESPECT TO BERLIN

Reference: Agenda for 27th NSC Meeting on Thursday, Nov. 18, 1948, dated Nov. 12, 1948.



At the request of the Acting Secretary of State the enclosed copy of a telegram dated October 27, 1948 from the United States Delegation to the United Nations General Assembly outlining the future course of action to be followed with respect to the Berlin case, is circulated herewith for the information of the National Security Council in connection with its discussion of Item 3 on the agenda for the NSC 27th meeting on November 18, 1948.

The Department of State stated that the United States Delegation was proceeding on the basis outlined in the enclosure. No action on the enclosure was requested.

SIDNEY W. SOUERS
Executive Secretary

Distributions:

The President
The Secretary of State
The Secretary of Defense
The Secretary of the Army
The Secretary of the Navy
The Secretary of the Air Force
The Chairman, National Security
Resources Board

DECLASSIFIED
E.O. 12812, Sec. 3(1) and 3(2) of (1)
3-16-76
By 127-14, NARS Date 3-25-76

Rec'd October 27, 1948
11:22 p.m.

FROM: Paris

TO: Secretary of State

NO: DELGA 503, October 27, 5 p.m.

URGENT

At meeting with Secretary yesterday approval was given to memo relating to future courses of action in Berlin case, summary of which is set forth below. Memo based on assumption that case remains on SC agenda and any program would be fully coordinated with French and UK.

1. Reference to GA. Although we would probably receive overwhelming supporting vote in GA, recommended that this step not be taken at present stage on ground that it would make actual settlement of case more difficult and mere GA condemnation would not result in lifting blockade; furthermore present flexibility and potential of SED or other influential delegates would be lost.
2. Wait and see period of ten days to three weeks. This course would involve deliberate non-action in UN and at same time taking steps in Berlin first of which would be introductions Western mark B as sole currency in Western sectors. Recommended that this step not be taken until after other measures have been tried on the ground that it would indicate a conclusion that there is no likelihood of securing Soviet agreement to any solution of problem and that steps taken in Berlin would be interpreted in SC and elsewhere as deliberate aggravation of the situation.
3. Attempt to carry out SC resolution despite Soviet veto. This program could be put into effect by a letter to SC President referring to USSR statement that it wants a settlement and that blockade measures are necessary to protect economy of Soviet Zone. Letter would inform President that Western powers would present rail, road and barge traffic at border Soviet Zone on stated future date, that such traffic would be subject to safeguards against currency abuse, that meeting of Military Governors would be called, that restrictions imposed by Western powers would be lifted and thereafter a CFM meeting held. If traffic were permitted to move through Soviet Zone Military Governors would immediately meet. Recommendation that this procedure not be followed at present stage on ground that no indication that Soviets would acquiesce and that it would exclude the six neutral members of SC from participating in attempt to find a solution.
4. Implementation of arrangements for currency, etc., through an intermediary. This procedure would make use of intermediary actually to frame the kind of regulation for currency in Berlin which under SC resolution would have been drawn up by Military Governors. Procedure has many variants, one of which was suggested by Secretary General

gested in Department's 4124 of October 22. Another variant would be for SC to ask the SYG to have operational arrangements prepared and authorize him to use such experts as he desired. Another variant would be to have President make similar request to SYG in order to avoid formal SC resolution. Both Soviet and Western Powers might be invited to supply SYG or neutral experts with suggestions as to terms of satisfactory operational arrangements.

Authority of SYG or expert group might be either to prepare operational arrangements which would be submitted to SC for consideration and adoption as recommendation to the parties or for submission to the parties for voluntary agreement. Consideration should be given to time of lifting the blockade in relation to report of SYG or expert group.

Recommendation that immediate steps be started along this line. Wide variation and flexibility of possibilities within general framework of this procedure make it desirable to discuss forthwith with British and French so that we may obtain their general reaction and so that we can work on elaboration of details of the plan.

Secretary is meeting Bevin and Schumann this afternoon, but not probable that program set forth in paragraph 4 above will be discussed.

MARSHALL





DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

December 13, 1948

SUMMARY OF TELEGRAMS

INDONESIA US representative Cochran reports from Batavia that there is little chance the discussions between the Indonesian Republic and the Netherlands will be renewed, and indicates there is now "no alternative" to immediate debate of the Indonesian question before the Security Council. Further confirmation of a widening rift between the two parties is evidenced in the Dutch reply rejecting the premises of our aide-memoire, indicting the Republic for its failure to recognize the sovereignty of the Netherlands during the interim period before the establishment of the United States of Indonesia, and making clear that, unless such recognition is forthcoming, the Netherlands government will have to make a "final decision" on the method of "implementing its pledges to the peoples of the Netherlands and Indonesia." In view of the Dutch insistence on this position -- which was reiterated to the British Ambassador at The Hague and to our UN delegation in Paris -- Cochran recommends that we consider withdrawal from the Good Offices Committee and reiteration in the Security Council of our favorable opinion of the "draft agreement", because he feels that the Good Offices Committee will be practically useless unless US and SC intervention proves effective.

PALESTINE Our representative in Amman reports UK opinion that events there are rapidly moving to the point where Transjordan may soon begin negotiations with Israel on a government-to-government basis. These talks may commence when Transjordan is assured it has UK support. King Abdullah and his Prime Minister are beginning to feel that the opinions of the other Arab states, with the possible exception of Egypt, are of no importance in the Palestine situation. According to our Consul in Jerusalem, the Israelis feel that now is the psychological moment to begin armistice talks with Transjordan directly.

DISCONTINUED

E.O. 12958, Sec. 3-292

State Dept. Collection, June 12, 1979

By NLT- *NK* 11-13-76

~~TOP SECRET~~

-2-

BERLIN We have urged the French government to instruct its military governor in Germany, in concert with the military governors of the US and UK, to introduce the western mark as the sole legal tender in the western sectors of Berlin at the earliest possible moment. The mark, which would be perforated "B" for identification purposes only, would also be legal tender in the western-occupied zones of Germany. We consider it urgent that this action proceed without further delay to prevent the economic deterioration in the western sectors of Berlin. Our Ambassador in Paris reports the UK has informed the French that its military governor has been advised to reach a coordinated decision as soon as possible on introduction of the western mark in Berlin. The British instructions give the impression that the UK is willing to accept any particular formula agreeable to the other western powers.

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

December 17, 1948

~~SECRET~~SUMMARY OF TELEGRAMS

INDONESIA The Netherlands government has sent a reply to the recent letter from Indonesian Premier Hatta in what the Foreign Office frankly describes as "truly the last possible move from the Netherlands side". The Dutch Foreign Minister has further informed our Embassy that he can keep the situation "in hand" within the Dutch government only until Sunday, and the Embassy notes other evidences of the sharp cleavage within the government and even rumors of preparations of military action in Indonesia. The Dutch reply points toward immediate Republican participation in the interim government, and indicates that the Dutch intend to proceed with this government in any case and that they do not envisage the resumption of negotiations through the Good Offices Committee.

Meanwhile we have informed the Dutch representatives here in Washington that unless this new reply is accompanied by explanations that the Netherlands government intends to leave the door open for further negotiations, the text can hardly be interpreted as other than a rigid restatement of the previous Dutch position which leaves little perceptible leeway for negotiations.

BERLIN We have indicated to our representatives in London, Paris and Berlin that in our view work done by the experts on the hypothesis of a split city is most unlikely to be fruitful, since a single currency for two Berlins appears quite impractical. Moreover, we feel that work done on the hypothesis of a united Berlin is becoming more and more unrealistic, since every indication of the past few weeks suggests that the Soviets intend to effect the complete schism of Berlin. As a result we feel the western experts should not negotiate actively or bargain with the experts of the six neutral Security Council members between now and the December 30 deadline for the neutrals' report.

DECLASSIFIED

E.O. 12958, Sec. 3.402

State Dept. Collection, June 12, 1979

By NLT-*AK* (1983, Date 11-13-88)~~SECRET~~

DEPARTMENT OF STATE
WASHINGTON

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Goldcliff, June 12, 1971

By NLT-~~MC~~ 11/23, Date 11-13-

December 30, 1948

~~SECRET~~
SUMMARY OF TELEGRAMSCHINA

Vice President Li Tsung-jen has confirmed to Ambassador Stuart that negotiations for Chiang Kai-shek's retirement are being conducted and talked as if he expected this to take place within a matter of days. He said, however, that Chiang had been so aroused at being included on the Communist list of war criminals that he nearly renounced his plan to retire and Stuart comments that this is indicative of the constant uncertainty surrounding any plan involving a man of Chiang's temperament.

PALESTINE

The Israelis have informed the Transjordan representatives in Jerusalem that they are no longer interested in an armistice and insist upon immediate peace negotiations, saying that it must be either peace or war. King Abdullah is concerned over this situation as he believes that Israel is entirely prepared to continue hostilities to achieve its ends while the British Minister to Transjordan thinks that unless Abdullah agrees to immediate negotiations the Jews may attack the Iraqis on the Arab Legion's right flank, thus rendering Transjordan's position hopeless.

BERLIN

We have informed our Embassy in London that we consider that it would be extremely dangerous to engage in detailed discussion of the recently received recommendations of the experts of the neutral members of the Security Council on the introduction of the Soviet mark in the western sectors of Berlin. The basic premise of the experts' recommendations--a degree of political cooperation between the eastern and western sectors--is in our opinion lacking owing to Soviet action in splitting the city politically and we therefore feel that the experts' plan is fundamentally unworkable and that discussion of it would be futile since our chief objection to the plan is the experts' basic approach. We accordingly wish, by the nature of our reply, to make the neutrals realize that Berlin is no longer a technical problem but a political one which may require a new approach.

We are firmly convinced that the establishment of the western mark as sole legal tender should immediately follow our reply to the experts' recommendations and believe that this need not preclude an eventual solution if the Soviets give any indication of a desire for a reasonable agreement. Our freedom of action was, in our opinion, fully preserved by the reservations made by the western powers in submitting the Berlin case to the Security Council and in accepting the proposal for the commission of neutral experts. We believe that, in the absence of effective Soviet counter-measures the effect of the changeover would be to reduce demands on the airlift through increased smuggling of supplies to the western sectors, and that even if the Soviets effectively blockade Berlin the airlift can meet all of the city's essential requirements. Soviet interference with technical services there would at the worst be an inconvenience and we think that if the Soviets believed that measures of reprisal were to their net advantage they would have taken them before now.

~~SECRET~~

DEPARTMENT OF STATE
WASHINGTON

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Collection, June 12, 19

By NLT-HC

Date 11-11

December 31, 1948

~~SECRET~~
SUMMARY OF TELEGRAMSCHINA

In response to a suggestion made to our Embassy in Nanking by a Chinese political leader that we promise to aid a non-Communist successor government in China and thus bring about Chiang Kai-shek's resignation, we have informed the Embassy that any such promise would represent an intervention in Chinese internal affairs which we cannot undertake. The question of bringing about Chiang's resignation and of setting up a successor government is, in our opinion, a matter for Chinese decision and the US government could, under no circumstances, place itself in the position of dictating or suggesting the resignation of the head of a friendly government. Moreover, in the absence of legislative authority, our government could not commit itself to a future aid program in a hypothetical situation.

INDONESIA

Our Embassy in The Hague states that it senses an intention on the part of the Dutch to carry out forthwith their promises with respect to Indonesia as well as a desire on their part to do everything possible to allay the doubts aroused in American and world opinion. The Embassy believes that the representations made by the US, the UK and Canada and the sharp attacks upon the Dutch in American newspapers have shocked them into a new realization of the dangers of their international position. The Dutch Foreign Office has informed our Ambassador that it interprets the Dutch statement before the Security Council to mean that the Republican leaders will be released if they will refrain from subversive activity; the Foreign Office further stated that the Dutch will welcome political activities by these leaders if aimed at collaboration in the early establishment of an interim federal government for Indonesia.

BERLIN

Embassy London reports that the British do not agree with our view that the present political situation in Berlin rules out all possibility of resolving the currency and trade issues there. They believe that the recommendations of the committee of neutral experts deserve further consideration and Bevin considers it important that, once having taken the case to the UN, we should give that body a full opportunity to find a basis for settlement. He feels that to inform the experts at this stage that their approach is invalid would give the Soviets a propaganda advantage. Our Charge has discussed with the British our view that the currency changeover in the western sectors should take place on January 10 but they have merely reiterated Bevin's previous statement that he could not agree to the currency changeover until it is clear that the experts had exhausted any possibility of finding a basis for settlement. They further stated that they will not be able to transmit to the committee of experts their reaction to its recommendations until around January 10.

~~SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

DECLASSIFIED

E.O. 10503, Sec. 3-402

to Dept. Circular, June 12, 1979

LT. ~~SECRET~~ 11-17-81

January 5, 1949

~~SECRET~~SUMMARY OF TELEGRAMSPALESTINE

We have informed our representative in Tel Aviv that we are surprised at the reaction of Israeli officials to our recent representations and have instructed him to make clear to them that the purpose of our demarche was to prevent any British move to implement the Anglo-Egyptian treaty of alliance or to re-arm the Arabs. We point out that we have great strategic and other interests at stake in the Middle East and that, therefore, the Israeli government has no just grounds on which to resent our reacting strongly to any action containing a threat of enlargement of the conflict. We have instructed our Charge in Cairo to inform the King of Egypt in general terms of our representations to the Israelis and of their agreement to withdraw their forces from Egypt and to urge him to restrain the Egyptian forces from acts such as the shelling of Tel Aviv and the bombing of Jerusalem. Our Charge is also to urge upon the King compliance with the Security Council resolution of November 16, calling upon the parties to the Palestine conflict to negotiate an armistice, and the necessity for concluding an early peace.

NORTH ATLANTIC PACT

We have informed the Norwegian, Danish and Icelandic representatives here that we hope to begin the definitive drafting of a North Atlantic Pact soon enough to permit its final conclusion early in February and that we would be glad to have the informal views of their governments as to the form and timing of an official approach to them as to whether they are willing to participate in a pact and, if so, whether they wish to participate in the drafting. The representatives of the three countries were informed that there would be a definite obligation in the pact to contribute toward the collective defense of the North Atlantic area both before and after the occurrence of an armed attack but that this would not necessarily involve a declaration of war as in some cases it might be more advantageous to the security of the area as a whole if certain countries did not become involved in war unless directly attacked. Similar approaches to Ireland and Portugal will be made shortly; no approach to the Swedish government is contemplated but should Sweden desire to become a party to the pact its participation would be welcomed.

THE VATICAN

The Vatican Acting Secretary of State has informed our representative there that the President's statement on the arrest of Cardinal Mindszenty was timely, highly effective and very fair. He further said that he considers the US line in this case very sound and most gratifying and expressed warm appreciation of our sympathy and support.

~~SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

January 7, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSFAR EAST

Ambassador Henderson in New Delhi agrees with the view that the present situation in Southeast Asia is extremely dangerous. He points out that the Pan-Asian movement, the germs of which have existed for some time, has been quickened by the Palestine situation, is gaining momentum as a result of the Indonesian situation, and is being strengthened by propaganda of the Communists and anti-white antagonists that the US is endeavoring to restore the hegemony of western Europe over the peoples of Asia and Africa. Henderson cautions that the people of Asia from the Arab world to the Philippines are now on the move and that we may be compelled to have a new look at our general foreign policy if we are to prevent that move from being in a direction away from the US.

ATLANTIC PACT

The Portuguese Foreign Minister has handed the British Ambassador in Lisbon a long memorandum developing the views of his government concerning the question of a North Atlantic mutual assistance pact. In presenting this memorandum the Foreign Minister stated that his government was emphatically of the opinion that some such pact would appear indispensable to the maintenance of peace, but he indicated certain reservations along the following lines: 1) Portugal would be reluctant to see the conclusion of the pact linked to the idea of a close European federation; 2) Portugal would be reluctant to see the pact used primarily for the establishment in peacetime of bases on Portuguese territory; 3) while appreciating the problem which Spain presents to the other western powers, Portugal feels it is impossible in the long run to avoid considering the Spanish question in connection with a North Atlantic pact.

DECLASSIFIED

E.O. 12812, Feb. 3-4-02

State Dept. Declass., June 12, 1979

NYLT-HLC-10000, Date 11-13-80

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

January 10, 1949

~~CONFIDENTIAL~~
SUMMARY OF TELEGRAMSCHINA

Ambassador Stuart reports that the Chinese government handed the US, UK, French and Soviet Ambassadors on Saturday afternoon an aide memoire suggesting that their four governments mediate between the Nanking government and the Chinese Communists with a view to bringing about an end of hostilities. Stuart agrees with the British and French Ambassadors that 1) this approach is an effort by the Chinese government to play for time and to avoid loss of face in directly approaching the Communists, and 2) there is little chance of successful mediation since it does not appear likely the USSR will act in concert with the other three powers. Meanwhile Stuart reports that the Communist rejection of early informal moves for peace has left the government in a quandary and has served to strengthen Chiang's conviction that negotiations with the Communists are impossible.

NORTHATLANTIC

The Swedish Foreign Minister has reiterated in a conversation with the Dutch Minister in Stockholm that Sweden will not join any association of the western powers nor will it join a Scandinavian pact which permits its members to join any outside agreement. He further stated that in the recent conversations of the top Scandinavian ministers, Norway and Denmark agreed to ask Washington not to extend any invitation to join a North Atlantic pact until after the current Scandinavian defense talks and subsequent political discussions are concluded around the first of February.

The Belgian Foreign Office has indicated that it is in essential agreement with our view that the proposed security pact should be limited to the North Atlantic area. Belgium would prefer that Italy not be included in this pact, but rather that it be covered by some form of Mediterranean agreement which might include Greece, Turkey, North Africa and possibly some of the Arab states.

DECLASSIFIED

E.O. 11652, Sec. 3-402

State Dept. Declass. Jan 12, 1979

By NLT-HC 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

January 27, 1949

~~TOP SECRET~~Summary of TelegramsNORTH ATLANTIC

Ambassador Marvel reports that a canvass of the Scandinavian situation, as viewed from Copenhagen, indicates that efforts will be made to delay any clear-cut decision on the position of the three Scandinavian countries until long after February 1. Such a delay, in his opinion, will give the Swedish Socialists valuable time to persuade the Norwegian and Danish Socialists to support the Swedish neutrality line and may well result in a Scandinavian defense agreement which is not acceptable to the US. In the latter event, we would be subjected to charges that the US was responsible for "splitting" Scandinavia.

The Danish Foreign Minister has told Marvel that it is by no means certain that a regional defense agreement can be reached, but he admitted that if such an agreement were concluded at variance with US policy, it would nevertheless be submitted to Washington for approval. Asked about possible developments in the event we rejected this approach, the Foreign Minister indicated that Norway would probably seek admission to the North Atlantic pact but that the decision of Denmark could only be taken in the light of events at that time.

Meanwhile we have pointed out to the Western Union countries that we will be guided in allocating US arms by major strategic considerations in which the North Atlantic pact will be the most important but not the only factor. Whether or not Italy is a party to the pact we will supply it with arms in fulfillment of our policy to prevent that country from falling under Communist control. We still favor Italian membership in the North Atlantic pact, and we hope that the current meeting of the European Consultative Council will make clear that Italy is a natural member of the western European community.

RECORDED

CO. 1-1-1 3402

Date Dept. Conf. Jan 12, 1949

NLT-44-1123, Date 4-13-60

~~TOP SECRET~~



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

February 2, 1949

~~CONFIDENTIAL~~
SUMMARY OF TELEGRAMS

NORTH ATLANTIC
DEFENSE PACT

Norwegian Foreign Minister Lange has informed Ambassador Bay that the point on which the recent Scandinavian conference collapsed was Norway's determination to remain free to initiate and pursue military discussions at any and all times. While the Norwegian government still has certain questions about the proposed North Atlantic agreement, and is concerned over the possible size of the domestic group opposing Norwegian participation, Lange indicated that Norway is prepared to enter discussions of and preparation for defense against possible attack.

Lange also expressed the view that it was extremely doubtful whether Denmark will join the North Atlantic pact. On the other hand Ambassador Marvel in Copenhagen believes that while Denmark will initially attempt to secure US military support for a proposal of continued Danish neutrality, the government will in the long run accede to the pact without facing any serious internal repercussions.

The Icelandic Foreign Minister, noting that Iceland would not have joined a Scandinavia pact under any circumstances, has reported that in his view the recent Scandinavian meeting revealed that Denmark's position was essentially similar to that of Sweden and that Norway was encountering more domestic opposition to the Atlantic treaty than it had expected.

We have informed the Iranian Ambassador that while we consider it impractical to include Iran in the proposed North Atlantic agreement, we are equally anxious to avoid giving the impression that by placing emphasis on our commitment to western Europe we are abandoning Iran. We hope the Iranian people will realize that there will be no lessening of US support for Iran and that aggression against Iran will not go unchallenged.

DECLASSIFIED

E.O. 11652, Sec. 3-602

State Dept. Declass. June 12, 1979

NYL-HLC-11-13-40



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

February 3, 1949

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

NORTH
ATLANTIC

Our Ambassador in Copenhagen reports that the Danes wish to present to us the special security problems of the three Scandinavian countries in the light of the reports made to the Oslo conference by the Scandinavian military authorities and are sending representatives to Washington for this purpose. They regard such a presentation as a prerequisite to answering an invitation to join the North Atlantic pact and our Ambassador feels that our willingness to listen to the Danish representatives would help the Danish Prime Minister greatly in dealing with his government and the Socialist party.

Irish Foreign Minister MacBride has informed our Minister in Dublin that as long as the British retain political and military control in Northern Ireland Eire cannot enter any defense pact in which the UK is associated but that in replying to our aide memoire he will keep the door open so as not to make the answer entirely negative.

Belgian Foreign Minister Spaak is very disturbed over the lack of progress made by the Brussels Treaty powers on military matters. He says that, although plans have been drawn up and staffs established, there still seem to be too many generals and no armies whatever.

PALESTINE

The Egyptian Foreign Minister has requested our Charge in Cairo to bring to the attention of this government the Israeli refusal of Bunche's armistice proposals in order that we might use our influence with Israel to bring about a conclusion of the Rhodes talks on a basis having some relation to the Security Council resolutions of November 4 and November 16. The Foreign Minister asserted that Egypt had made every conceivable concession in assenting to Bunche's proposals, which they consider a departure from the Security Council resolutions, and hinted that the only remaining alternative might be a further resort to arms.

DECLASSIFIED

E.O. 12958, Sec. 3.102
State Dept. Classification, Jan 12, 1979

By NLT-*HC* 11-13-80



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

February 15, 1949

~~TOP SECRET~~
SUMMARY OF TELEGRAMS

NORTH
ATLANTIC

According to the British Foreign Office Norwegian Foreign Minister Lange, during his conversation with Bevin, did not appear too discouraged over the results of his visit here but realized that his task in Norway will be made more difficult by his failure to obtain definite answers to his questions. He is considering the possibility of having Norway not be one of the original signers of the North Atlantic pact but of coming in later. The British emphasized to our Embassy in London that any further whittling down of the terms of the pact would be dangerous and that speed in its conclusion is essential. The French have informed Caiffery that while they would deprecate any changes in the draft of the pact they consider it of primary importance that there should be no "stop, break or undue delay" in its negotiation.

The Norwegians are concerned over the possibility that the USSR, in anticipation of Norway joining the North Atlantic pact, might occupy Finnmark, the Arctic province of Norway, and Svalbard (Spitzbergen), particularly in view of the probable delay in the ratification of the pact. Our Embassy in Oslo believes that, while military action in northern Norway may be an extreme hypothesis, some Soviet move in relation to Svalbard seems likely.

PALESTINE

We have expressed to the Israeli representative here our hope that, as reported by the Israeli representative at the UN, the government of Israel has decided to make concessions on the points that have apparently constituted the principal stumbling block to the successful conclusion of the Rhodes armistice talks. Acting Mediator Bunche had informed our representative on the Palestine Conciliation Commission that the Jews were being adamant on these points but has now reported that the conversations are making steady but tortuous progress though continuing pressure from all sources on the parties is still indispensable to success.

CHINA

President Li has requested that the departure of our naval forces from Tsingtao be delayed for a few weeks on the ground that their continued presence at Tsingtao strengthens the position of the government during the critical phase of the peace discussions with the Communists.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, June 12, 1979

~~TOP SECRET~~

By NLT: *Ne* (MSS, Date *11-13-80*)



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

February 25, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSMILITARY AID

We have instructed our Ambassadors in the Western Union countries to discuss informally with the respective Foreign Ministers the concept we have evolved of the military assistance program which would involve our receiving, in the first instance, a request for assistance in meeting their military deficiencies from the Western Union countries as a group, since we feel that the program should be presented to the western European peoples by their own leaders in order to avoid any impression that it is being forced on them unilaterally by the US.

The principles governing the long term military aid program in our view should be 1) that military strength should be developed on the basis of a collective defense arrangement involving the US to the point where Europe can feel confident of its ability to resist aggression; 2) that economic recovery has clear priority over the military aid program; 3) that US assistance should be based upon the principles of mutual aid as set forth in the draft of the Atlantic pact; 4) that the European countries should agree that their military strength will be developed so that it can operate in war on a unified basis, military equipment will be transferred between them without regard to foreign exchange problems and their arms production be expanded in accord with mutually agreed plans; 5) that Europe should become increasingly a producer of arms and that this be borne in mind in working out long term CEEC programs, although we would, out of security considerations, discourage the production on the European continent of weapons for long range warfare or mass destruction.

We consider essential the initiation of a slow expansion of European arms production as evidence of European recognition of the obligations of mutual aid, particularly in connection with the presentation of the program to Congress. We are therefore prepared to propose to Congress that, in addition to the provision of military equipment from the US, we be authorized to furnish in the initial stages of the program funds to cover the dollar costs of additional European military programs, including perhaps compensation for any substantial indirect impact on the economy resulting from such programs.

DECLASSIFIED

E.O. 11652, Sec. 3.402

State Dept. Acquired, June 12, 1979

NY 100-10553, Date 11-13-86

~~TOP SECRET~~

DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

March 3, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSMILITARY AID

Bevin and Cripps have informed our Ambassador in London that their reaction to our proposals concerning the principles of the military aid program is in general favorable but that they cannot make any commitments in advance of discussions with the other Western Union countries. Bevin agreed on the importance of presenting the program as being drawn up on the initiative of the Western Union countries but said that the presentation must include the idea of mutual help from the US, as the Europeans consider themselves in the front line. He was in complete agreement with the idea that ERP must not be jeopardized, and said that it would be difficult for the UK to expand military production further without risking its economic recovery. During the course of the discussions Bevin commented that he strongly believes that a unified basis for military planning could only be achieved by appointing an American as top commander.

SCANDINAVIA

The Danish Prime Minister is proposing to send his Foreign Minister to Washington on March 7 to explain to us Denmark's more exposed position, by comparison with Norway, and in order to be in a position to state to the Danish parliament that information concerning the North Atlantic pact had been received directly from the Secretary of State. The Prime Minister further believes that it is important that the Danish Ambassador here sit in on the pact discussions, but our Ambassador in Copenhagen believes that the Danes will be satisfied if he does so as an observer. Our Ambassador in Oslo has been informed that the Norwegian reply to the Soviets declining a non-aggression pact will be ready for delivery about March 3.

GERMANY

We have informed our Embassy in London that we wish to reserve our approval of the agreement on the International Authority for the Ruhr until negotiations on other matters under the London agreements, such as the Occupation Statute, the Tri-zonal Fusion Agreement and the German Basic Law, have been satisfactorily concluded.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Classification, June 12, 1979

By 1213 AL - HHS, Date 11-13-80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

March 9, 1949

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

NORTH ATLANTIC

We have informed the Italian, Icelandic, Danish and Portuguese representatives here that a draft text of the North Atlantic pact has now been agreed upon and that we hope that their governments will wish to become original signatories of the pact. We hope that the eight governments participating in the conversations here will have agreed to the draft text before the end of this week and that it can be made public about March 15, at which time we would like to be able to announce which governments are being invited to be original signatories. We therefore have asked the four governments that we have approached to give us an early indication of their respective attitudes toward receiving an invitation to join the pact. Our present plan is to hold a conference here for final consideration and signature of the pact about April 4 and we have assured the four governments that, if they desire invitations to join, they will be welcome to participate in any discussions which may be held between the time of the invitations and the signature of the treaty.

MILITARY AID

We have instructed our Embassy in London that it may inform Bevin that we felt impelled to make clear to the Dutch that we might not be able to supply them with arms in the absence of a solution to the Indonesian problem, as failure to do so would leave the US open to charges of bad faith. We nonetheless hope that planning for the military aid program will be continued on the assumption that the Indonesian situation will have been clarified prior to the beginning of actual transfers of military equipment to the Netherlands. Our Ambassador in The Hague has impressed on the Dutch Acting Foreign Minister the fact that our warning is in no way to be interpreted as pressurizing his government and the British Foreign Office has informed our Embassy in London that the Dutch will attend Western Union meeting on the military aid program which is scheduled for March 14.

DECLASSIFIED

E.O. 12958, Sec. 3-402

State Dept. Declass. June 12, 1979

by NLT/HW Date 11-13-80

~~TOP SECRET~~

Authority E.O. 10501

January 7, 1949

DEPARTMENT OF STATE

OFFICE OF PUBLIC AFFAIRS

INFORMATION MEMORANDUM NO. 26

While this memorandum itself is not for release, officers participating in public liaison through speeches or background talks may find this material useful in answering questions.

BERLIN BACKGROUND

1. To understand the problem of Berlin it is necessary to go back to the decision that was made at Casablanca in January 1943 to demand Germany's unconditional surrender. That decision meant that the Nazi regime could be expected to fight until utter extermination and that Germany would therefore be left in chaos and confusion, physically destroyed, morally bankrupt, without government of any kind.
2. The following October (1943) Secretary Hull flew to Moscow and it was there agreed that the Allies (the U.S., Great Britain, and Russia) would cooperatively deal with the problem of Germany. It was agreed to establish a European Advisory Commission with headquarters in London to prepare the necessary background studies and make preliminary recommendations.
3. By September 1944 the European Advisory Commission had come to some tentative conclusions. In view of the belief that there would be no regime in Germany when the Nazi armies collapsed, and in view of the demoralized state of the German people under the Nazis, the handicaps in the way of their undertaking on their own the establishment of a democratic regime, as well as to assure that Nazi influence was eradicated from German life, it was decided to occupy Germany temporarily. The Commission proposed that each of the victorious powers (U.S., Great Britain, Russia and, eventually, France) should assume responsibility for the administration of a particular zone in Germany and for a sector of Berlin.
4. The following February (1945) Roosevelt, Churchill and Stalin again met at Yalta. The proposal to divide Germany into zones pending the setting up of a permanent government was approved and it was agreed to establish an Allied

Control Council, consisting of the commanders of each of the zones, to deal with over-all problems relating to Germany.

5. On May 8, 1945 the last of the German armed forces surrendered and on June 5 the four Allies assumed administration of their respective zones. Berlin necessarily was in the Russian zone as it is only a short distance from the eastern boundary of Germany and it was logical that the Russians should assume responsibility for the Eastern zone.

6. The armies of the Western Allies did not push into Berlin during the closing stages of the war because our military plans were devised for the single purpose of speeding victory. From a military point of view Berlin was not considered to be an essential objective for the Western forces.

7. Rights of the United States, Britain and France as occupying powers in Berlin derive from international agreements which established the quadripartite control of Berlin on a basis of friendly cooperation. The right of free access to the city was specified in a message sent by President Truman to Premier Stalin on June 14, 1945. In accordance with assurances made by Stalin on June 16 that all necessary measures would be taken in accordance with the plan, the United States, whose armies had penetrated deep into Saxony and Thuringia, parts of the Soviet zone, withdrew its forces to its own area of occupation in Germany and took up its position in its own sector of Berlin.

8. In July 1945 the heads of state of the U.S., Britain and the U.S.S.R. met at Potsdam and agreed (1) politically there was to be no central government for the time being; (2) economically there was to be a single economic unit during occupation; and (3) reparations were to be computed and levied as follows:

Soviet reparations (including Poland's) were to consist of (a) removal of capital equipment and goods from the Eastern zone; (b) German external assets in Bulgaria, Finland, Hungary, Rumania and Eastern Austria; and (c) 25 percent of the capital equipment in the Western zone not needed for peace-time industry (the value of 15 percent of such capital equipment to be equaled by shipments of food, coal, potash, petroleum, etc., by the

U.S.S.R.

U.S.S.R. to the Western zone).

The U.S., British, and other countries' reparations were to be taken from the balance of capital equipment in the Western zone and the remaining external assets.

9. The Soviet Union proceeded with a systematic and drastic looting of the Eastern zone, but failed to deliver materials to the Western zones as it had agreed.

10. The Allied Control Council could not agree on the procedure for administering Germany as an economic whole. As a result there was little sharing of resources, and no common foreign trade, banking, mail, telegraph communications, or railroad policies. The amount of trade between the two zones decreased to a low level. The burden of this fell on the Western zones and the cost of maintaining the Western zones above a starvation and disease level rose to a half billion dollars a year. As a result, in May 1946 the United States stopped reparations deliveries from the United States zone. The whole question was, therefore, taken up in the Council of Foreign Ministers in its meeting in April-July 1946.

11. At this meeting the U.S.S.R. insisted upon:

- a. Four-power control of the Ruhr;
- b. A German Government able to extirpate fascism and carry out reparations deliveries, i.e., it was opposed to a federal type of state.

The U.S.S.R. claimed that the United States had stopped reparations payments from the Western zone because it wished to rearm Germany. The U.S., as evidence of its determination that Germany should not again constitute a menace, offered to enter into a 25 (later, 40) year treaty with its former allies, agreeing to take any necessary action to prevent further German military threats.

12. As a result of the apparently irreconcilable positions that had developed, the U.S. announced in July 1946 that it would administer its zone in conjunction with any other occupying power or powers as an economic unit. Britain agreed to join its zone economically with that of the U.S. in January 1947, and Bizonia came into existence.

13. In March 1947 the Council of Foreign Ministers met in

Moscow

Moscow and again in November 1947 in London. The Soviet position was that political unification with a strong central government should take place before economic unity and furthermore that the U.S.S.R. would not consider economic unity for Germany until reparations had been agreed upon. The United States and Great Britain insisted on economic unification as agreed at Potsdam before political unification and before any final decision with respect to reparations.

14. The basic issues became clear. The Soviet Union desired to have a strong central government (which might lend itself to communist infiltration and seizure). The Soviet Union also apparently desired to prolong the economic chaos in order to induce the kind of hopelessness that yields to communist arguments, and therefore prevented economic unification. In addition, the Soviet Union desired to have a large reparations claim (10 billion dollars) against Germany, as this would give the U.S.S.R. powerful economic and political controls over Germany. The U.S. and Britain believed that the German people should be allowed to decide what form of government they desired and should make this decision under conditions of normal existence, i.e., following economic unification. The U.S. and Great Britain also desired to postpone a final decision on the amount of reparations until it was possible to determine what level of industry was to be established in Germany so that the amount of reparations could be fixed at a figure that would be capable of payment from the German economy and would not, in effect, have to be paid by American contributions to Germany.

15. The U.S.S.R. opposed currency reform presumably because the lack of a sound currency was contributing in large measure to the economic stagnation of Western Germany. The old currency was so valueless that cigarettes had in practice replaced it in many areas. On June 18, 1948 a new currency was therefore introduced in the Western zones. Following the introduction of the new currency, although many economic stresses remained, factory production increased, goods reappeared in the stores, workers returned to their jobs, agricultural production flowed in from the country, and the general economy was greatly improved.

16. On June 22 at the request of the three Western powers, a quadripartite meeting of financial and economic advisers took place in Berlin to discuss the problem of currency for Berlin. The Soviet representative insisted that there could be no currency for Berlin different from the currency of

the surrounding Soviet Zone and he would not accede to quadripartite control of the currency for Berlin. Immediately after the meeting the Soviet authorities issued their orders for currency reform in the Soviet zone and all of Berlin. The following day the Western Allies announced introduction into the Western sectors of Berlin of the new Deutsche Mark of the Western zones.

17. On June 23, 1948 the U.S.S.R. imposed a blockade of rail and road traffic from the Western zones into Berlin. The Western powers countered with the air lift.

18. The U.S. basic position in Germany is:

a. That the great industrial resources of Western Germany should not be in the hands of forces that are inimical to the U.S.

b. That Germany be rehabilitated economically to the extent that is necessary for the recovery of Europe and that it be able to support itself.

c. That political responsibility be transferred to the Germans without however doing it in such a way that it becomes incorporated in the Soviet orbit.

d. In general that Germany be an asset to world peace and not a liability.

19. The abandonment of Berlin would be interpreted throughout Germany and Europe as evidence of our lack of determination both to defend our rights and to support democratic peoples in their effort to resist totalitarian threats and pressures. Psychologically and politically such a step would have profound consequences, leading to a hasty effort on the part of many European people to reinsure themselves with the Communists, to whom it would be felt that central Europe had been abandoned.

For further information on this topic see:

Information Memorandum No. 2

Information Memorandum No. 7

The Berlin Crisis, September 1948.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

DECLASSIFIED
E.O. 12958, Sec. 3-102
State Dept. Guidelines, June 12, 1979
NYLT 44 12958, Date 11-13-76

March 22, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSNORTH ATLANTIC

The Secretary has sent a message to Premier Salazar of Portugal conveying our strong hope that Portugal will join the North Atlantic pact. We state that, in view of the desire of the other governments concerned for a pact of even longer duration, we can see no possibility of their agreeing to reducing it to a ten year term and further state that we would be seriously concerned lest reservations made by any participating government lead to the imposition of reservations by others. We point out, however, that the provision for review after ten years provides an opportunity to make the changes necessary to adapt the treaty to the international circumstances at the time.

PALESTINE

Ethridge states that he considers an agreement on internationalization of Jerusalem as a separate legal entity practically out of the question unless the US is willing to apply the strongest kind of pressure.

Israeli Foreign Minister Sharett is planning to inform the Secretary this morning that the British forces at Aqaba should be withdrawn under the provisions of the November 16 UN resolution; the Foreign Minister has stated to our representatives in New York that Israel would bring this matter before the UN if necessary.

VIENS ON
MILITARY AID

The French and British have presented us with notes saying that they consider it highly desirable that the European powers involved in the military assistance program not be required to subscribe to engagements of a general nature other than those which result from the Brussels and North Atlantic agreements and that, therefore, bilateral agreements should not be concluded between them and the US on military assistance which would include conditions of a general as opposed to a technical character. The French

TOP SECRET

~~TOP SECRET~~

-2-

note further states that US assistance in materiel as well as in dollars should be made available to the five western union powers as a group and be divided by them with the agreement of the American technical mission. We have informed our Embassy London that, although we desire the maximum development of European unity, we could not bind ourselves to participate in a program in which we would not be free to exercise in the final analysis control over our contributions to the individual members. We have instructed Douglas to take immediate action to have the memorandum on military aid submitted by the Western Union Foreign Ministers revised in accordance with our views and to have its phraseology further altered to make clear that the program will be drawn up with our assistance and participation. We consider these changes essential if a favorable public and congressional reaction to the program is to be obtained.

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

March 28, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSATLANTIC PACT

We have advised our Legation in Reykjavik that we would prefer to have Iceland accept the invitation to join the Atlantic pact without comment. If, however, the Icelandic government feels it must say something, we suggest it state that Iceland's special position as an unwarmed nation limits the action it might take under Article V of the pact. Meanwhile, our Charge in Copenhagen has been told of Denmark's hope that the US will reconsider Denmark's arms application so that Denmark might receive promptly a "symbolic" arms shipment. Our Charge feels that such a shipment would serve as a boost to military morale and would have a beneficial political effect.

ISRAEL

King Abdullah of Transjordan has given to our Charge in Tel Aviv for transmission to President Truman a message which sets forth the demands made by Israel of Transjordan in the recent talks and which requests the President to prevent these "new movements". Abdullah says that these "movements" may cause a renewal of the conflict in Palestine. Meanwhile our Charge states that while Abdullah feels strongly about the manner in which the agreement has been forced upon him, he also realizes that failure to ratify it would lead to Israeli military action and to consequent territorial adjustments which would far exceed what Israel is trying to "extort" from Abdullah through negotiation. Our Charge adds his opinion that unless the US takes a strong line to stop Israel now, its frontiers may be extended to the Jordan River.

GERMANY

General Clay has expressed to our Acting Political Adviser in Berlin his opinion that the establishment of the west German government would inevitably be postponed. Clay feels that a failure to agree on common policies has resulted in a political failure for the western powers and that German sentiment is now turning against the formation of a west German government.

DECLASSIFIED

E.O. 12812, Sec. 3-402

State Dept. Circular, June 12, 1979

By NLT-HW Date: 11-13-80

~~TOP SECRET~~

MILITARY AID

In connection with the military aid program, our Ambassador in London feels we must do everything we can to foster the unity and solidarity of the Western Union countries. Douglas stresses that the Western Union countries comprise the hard core of the military strength which may be developed in western Europe, and that the defense plans of Western Union constitute an important step toward achieving an "army of Europe" instead of nationalistic forces loosely coordinated. Douglas feels the US should vigorously encourage Western Union as a body and not place emphasis upon bilateral relations with individual Western Union members.

Meanwhile, US representatives in London concerned with the military aid program state their opinion that we ought not unilaterally to interpret our UN obligations by suspending arms shipments to the Netherlands. Our representatives point out that we have been urging integration on European nations and we ought not to indicate an unwillingness to act in concert with other Western Union countries on this issue. They add that unilateral action would imply that we feel the other Western Union countries are less zealous in carrying out their UN obligations than we and would weaken the military potential of Western Union.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

April 5, 1949

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

MILITARY AID Agreement has been reached with the Western Union Foreign Ministers on the terms of their request to us for military aid and of our reply to the request. The request follows in general the lines of the memorandum given to Douglas on March 16 by the Western Union Foreign Ministers but avoids any implication of US "participation" in the Western Union as such, makes clear instead that what is being requested is material and financial assistance and removes a phrase that we had felt implied that we could not refuse, if necessary, to furnish arms to the Dutch in the event that a solution to the Indonesian question is not reached. The request also spells out more clearly the nature of mutual aid, saying that each party, consistent with its situation and resources, will contribute in the most effective manner such mutual aid as can reasonably be expected of it. Our reply will underline that we are extending assistance to the Western Union powers in meeting the material requirements of their defense program in recognition of the principle of self-help and mutual aid contained in the Atlantic Pact, reiterate the necessity for reciprocal aid and make clear that the allocation of assistance will be effected by common agreement between the Western Union countries and the US.

The Western Union request will be submitted today, our reply will be made tomorrow, and the two documents will be made public on April 8. At the same time we are discussing with the Norwegians, Danes and Italians the text of their request and of our reply. At present it is not being planned that the Portuguese or Icelanders will submit a request.

GREECE According to the Greek Foreign Office, the Yugoslavs have empowered one of their representatives to meet with a high ranking Greek officer to determine the place, conditions and personalities for a meeting between the two countries to settle their differences.

RECEIVED

APR 7 1949 3-402

State Dept. Apr 15, 1949

By RLT: *HL* Date *11-13-60*



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

RECORDED
S.O. 10 100-2-102
State Dept. ...
By NLT-NK (MMS), Date 11-1

June 7, 1949

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

MILITARY ASSISTANCE PROGRAM

Ambassadors Harriman and Douglas have expressed their deep concern over any delay in the military assistance program and recommend emphatically that all possible efforts be made to have Congress act upon legislation to implement the program at the earliest possible time. They believe that delay in consideration of the military assistance program would have a seriously adverse effect on the total situation in western Europe. They say that such delay would give rise to suspicions that we are lukewarm in our intention of giving effective support to the North Atlantic Pact and point out that in Europe the hope that the pact will be an effective deterrent to war rests not only on the intent of all the parties to act together in the event of war but also on their intent to rebuild their military strength by mutual aid. Delay in the aid program would resurrect doubts as to the dependability and consistency of US policy and fears that our intentions are not to help defend Europe but only to accept the necessity for another liberation. Harriman and Douglas state that delay would result in the loss of the momentum that has been created in Europe as the result of our consistent efforts of the past two years and would retard economic recovery. They stress that, if the upswing in European assurance in the face of the Soviets is halted by a seeming slackening in US interest and a retrogression sets in, it may be immensely costly to set it in motion again.

Our Ambassador in Paris says that both Prime Minister Queuille and Foreign Minister Schuman have expressed concern over our intentions as to the North Atlantic Pact and the military assistance program and says that there is no question that the French are disturbed by the priority given labor legislation over the pact and by reports that the aid program might not be dealt with during the present session of Congress. Similar strong expressions of concern have been received from the Norwegians and from the Belgian Prime Minister.

CHINA

Our Charge in Canton says that the approach to our Consulate General in Feiping made by Communist leader Chou En-lai would appear to be more a tactical than a strategic move and recommends that we should regard it with suspicion. He points out that it would be fatal for us to be induced to assist the Communists in their period of need only to find too late that they wanted our help only until they could get along without us.

~~TOP SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

June 22, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSATLANTIC
PACT

French Foreign Minister Schuman gave the Secretary in Paris an aide memoire stating that the French government believes that it would be most advantageous to open the debate in the French parliament on the Atlantic Pact only after clarification has been received of our views upon the military and strategic consequences which France may expect from the Pact. The aide memoire points out the long standing French concern over the absence of effective military protection for western Europe and the French expectation that such protection will be afforded by the Pact and states that, if the French people accept the political solidarity involved in the Pact and the risks entailed by it, it will be not only because they count on final victory but also because they expect effective measures to be taken to discourage or, if necessary, repel any aggressor. The aide memoire also refers to the French desire to be associated in the high strategic conduct of the defense measures taken under the Pact.

In explaining the aide memoire to our Embassy in Paris, the French Foreign Office has stated that there is no question of the Pact failing of ratification but that assurances on the points raised in the aide memoire would make a considerable difference in the size of the majority which the government will be able to obtain. The Foreign Office said that Schuman feels that it would be of great assistance if the military assistance program had already been submitted to Congress at the time of the debate in the French parliament on ratification of the Pact and if he could receive assurances that we contemplate in the first instance the defense of western Europe in the event of hostilities and that we contemplate the inclusion of France on the combined staff organization inside the Pact machinery, along with the US, the UK and Canada.

PALESTINE

Our Ambassador in Tel Aviv states that, although some extremists in the Israeli army and legislature advocate expansion by the use or threat of force, he believes that fear of Israeli aggression is not warranted. He thinks that Premier Ben Gurion, Foreign Minister Sharett and the Israeli General Staff are fully aware that further expansion by force would be disastrously self-defeating. He points out that the government

DECLASSIFIED

must

E.O. 12958, Sec. 1-102

State Dept. Conf. Rec. June 12, 1979

NY 100-106113-60 ~~TOP SECRET~~

-2-

must arrange for the absorption of a quarter of a million immigrants annually and reduce the cost of living if it is to survive and that any further resort to war would render these tasks difficult if not impossible and would, in addition, involve the alienation of world opinion and the risk of economic sanctions.



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

October 20, 1948

~~SECRET~~

SUMMARY OF TELEGRAMS

GERMANY In the opinion of our Acting Political Adviser in Berlin the imposition of new restrictive Soviet measures is significant not only for the tighter stranglehold they impose on the western sectors of Berlin but also because they indicate the utilization of increasing numbers of Soviet zone police in areas immediately adjacent to Berlin and close collaboration between the Soviet zonal and sector police. The arming of Soviet zone police is apparently being duplicated in the Soviet sector of Berlin, and our officials consider that the Soviets may now plan a merger of their zonal and Berlin sector police.

The various American intelligence groups in Germany are all of the opinion that the recent report of the return to Berlin from the USSR of General Walter von Seydlitz accompanied by various other leading generals from the free German army in the Soviet Union are probably correct. They consider that this information has come from reliable sources, although nobody has yet actually seen von Seydlitz.

DECLASSIFIED

E.O. 12055, Sec. 3-402

State Dept. Guidelines, June 12, 1979

By NLT: *HC* NISS, Date *11-12-80*

~~SECRET~~

~~CONFIDENTIAL~~

BERLIN

Subject to further drafting changes which will be made today the six neutral members of the Security Council plan to introduce tomorrow a resolution on the Berlin situation calling upon the four powers to undertake on the same day (a) the lifting of the blockade and (b) conversations on the introduction of the Soviet currency into Berlin. Soviet representative Vyshinski is reported to have expressed great interest in the idea of simultaneous action and to have been quite anxious to secure a copy of the resolution, which our delegation plans to accept subject to certain modifications.

~~CONFIDENTIAL~~

THE BERLIN CRISIS:
A REPORT ON THE MOSCOW DISCUSSIONS,
1948

Notes:-

1. By agreement among the three western governments, joint statements made during the course of these discussions in Moscow on behalf of all three were presented by the senior representative, Ambassador Smith.

2. Typographical errors in the present mimeographed edition of this paper will be corrected in the edition to be printed. The pagination herein skips no. 55.

W. H. H. S. IRUMAN LIBRARY

President's Secretary's
Files

THE BERLIN CRISIS:

A REPORT ON THE MOSCOW DISCUSSIONS,

1948

INDEX

	<u>Page No.</u>
Title Page	1
Table of Contents (blank for notations)	2
Soviet Interference with Access to Berlin	4
Initial Letters exchanged in Berlin	4-5
The Moscow Discussions	12
American Note of July 6	12-15
Soviet Note of July 14	15-20
Preliminaries to Stalin Meeting	21
U.S. Aide-Memoire of July 30	22
Conversation with Zorin, July 30	23
Preliminary Meeting with Molotov, July 31 ...	23
First Meeting with Stalin on August 2	25
Stalin's Proposals of August 2	29
Reaction to Stalin Meeting	30
Drafting Meetings with Foreign Minister	
Molotov (August 6 to August 30)	32
The Initial Western Draft, August 6	32
Mr. Molotov's Counter-Draft, August 9	33
Fundamental Differences between these drafts.	34
Statement by Ambassador Smith on behalf of the	
Three Powers, August 12	38
Mr. Molotov's Reply, August 12	42
Western draft text proposed August 17	45
Mr. Molotov's Counter-Draft, August 17	47
The Second Meeting with Stalin on August 23	50
Certain statements by Stalin, August 23.....	52-53
Certain U.S. views telegraphed to Smith	54-56
Draft communiqué and directive worked out	
with Molotov and Vishinsky August 27	57-61
Directive sent to Military Governors in Berlin,	
August 30	58
The Technical Discussions in Berlin, August 31	
to September 7	62-65
A new aide-memoire of the Three Governments	
delivered in Moscow September 14	66
Mr. Molotov's aide-memoire of September 18	
in reply	69
Note of September 22 addressed to Soviet	
Embassies in Washington, London and Paris	73

CONTENTS

Section I - Soviet Interference with Access to Berlin	Page
Section II - The Moscow Discussions	Page

Introduction

In view of the breakdown of the discussions at Moscow between representatives of the Western Powers and the Soviet Union, centering upon the Berlin crisis, it is appropriate to review the events leading to that breakdown and to place on record the documents in the case.



SECTION I

SOVIET INTERFERENCE WITH ACCESS TO BERLIN

The Soviet government has maintained first that its measures restricting communications, transport and commerce between Berlin and western Germany were necessitated by "technical difficulties" and then that they were "defensive" against conditions created by the currency reform in western Germany and western Berlin. The following chronological record of events reveals that many of the Soviet restrictive measures were imposed months before the currency reform and that they have been systematic products of a deliberate coercive purpose rather than the results of "technical difficulties":

On March 30, 1948, ten days after the Soviet Delegation had walked out of the Allied Control Council meeting, the Soviet Deputy Military Governor, General Dratvin, stated in a letter to the United States Military Government that supplementary provisions regarding communications between the Soviet and US Zones of occupation in Germany would go into effect on April 1, 1948. These provisions, which were contrary to practice established since the quadripartite occupation of Berlin, set forth that:

(1) US personnel travelling through the Soviet Zone by rail and highway must present documentary evidence of identity and affiliation with the US Military Administration of Germany;

(2) Military freight shipments from Berlin to the western zones must be cleared through Soviet check points by means of a Soviet permit; freight shipments into Berlin would be cleared by accompanying documents;

(3) All baggage must be inspected at Soviet check points, with the exception of personal belongings of US personnel carried in a passenger railway car or a passenger automobile.

Similar letters were delivered to the British and French

On March 31 the Chief-of-Staff, US Military Government, replied that the new provisions were not acceptable and that such unilateral changes of policy could not be recognized.

In this letter General Gailey states:

"I am prepared to have each train commandant of passenger trains furnish you at an established entry point a passenger list accompanied by copies of the orders of each passenger. Likewise each train commandant of freight trains will furnish you at the entry point with a manifest of cargo.

"However I cannot agree to permit your representatives to enter these trains for the purpose of examining individual documentation or belongings or inspecting cargo.

"I shall be glad to discuss with you or your representatives the procedure which I have outlined above, although not on 24 hours notice."

In the same letter, General Gailey also stated:

"The agreement under which we entered Berlin clearly provided for our free and unrestricted utilization of the established corridors. This right was a condition precedent to our entry into Berlin and our final evacuation of Saxony and Thuringia. I do not consider that the provisions you now propose are consistent with this agreement."

In his reply of April 3, General Dratvin challenged this statement and claimed that there was no agreement "concerning the orderless and uncontrolled traffic of freight and personnel through the territory of the Soviet Zone of occupation". He termed the new regulations "an internal matter" concerning the Soviet occupation authorities and saw no possibility of changing the new regulations.

In his reply of April 4, General Gailey pointed out that on June 29, 1945 a clear understanding was reached between Marshall Zhukov and US representatives that the US Forces in Berlin would have free and unrestricted use of the established corridors to meet their requirements, subject only to normal regulation of movements. He

for both passenger and freight trains, made up as military trains, but refused to agree to entry of representatives of another power into our military trains while in transit between Berlin and our zone of occupation.

Meanwhile on April 1, two US passenger trains were stopped at the Soviet Zone border and turned back upon refusing to accept Soviet inspection. Two British trains were turned back under the same condition.

Beginning April 1, the Soviets refused to permit mail cars containing packages to depart from Berlin to the west, and demanded the filing of additional forms, the character of which was not adequately clarified. On April 3, 1948 the Soviets closed the Hamburg-Berlin and Bavaria-Berlin rail routes requiring all freight to move to Berlin via Helmstedt.

On April 2, the Soviets requested the American authorities to close down effective May 1, the US aid station which was midway on the only automobile highway available between Berlin and Helmstedt. Later they also requested removal by April 15 of US Signal Corps personnel stationed in the Soviet Zone at Weimar for the maintenance of repeater stations required for our official telephone communications with Berlin. The British received a similar request to remove their Signal Corps men from Magdeburg. The request was protested by our letter of April 9, but the personnel were removed on April 14.

On April 20, the Soviets imposed the requirement for individual clearance of barges moving through the Soviet Zone to and from Berlin. Protest by the British had no effect.

After the announcement on June 18 of the currency reform for all of western Germany (but not western sectors of Berlin), the Soviets on June 19 suspended all passenger train traffic between western and eastern zones. All road traffic from western zones into the Soviet zone, including traffic on the Autobahn to Berlin was also stopped. Incoming rail freight was reduced in volume by change of technical procedures and water transport was subject to stricter regulations.

The French Commandant, Chairman of the Berlin Kommandatura, invited on June 19 the other members to a special meeting to discuss the effects of the currency reform on Berlin, but the Soviet member declined the invitation.

On June 22, at the request of the three western powers, a quadpartite meeting of financial and economic advisers took place in Berlin to discuss the problem of currency for Berlin. The Soviet representative insisted that there could be no currency for Berlin different from the currency of the surrounding Soviet zone. They would not accede to quadripartite control of the currency for Berlin. Immediately after the meeting the Soviet authorities issued their orders for currency reform in the Soviet zone and all of Berlin.

In view of the inability to obtain agreement on a currency for Berlin under quadripartite control, the Western Allies informed the Soviets of their intention to introduce into the western sectors of Berlin the new Deutsche Mark of the Western Zones (over-stamped "B" for Berlin). The public announcement was made on June 23.



On June 23 the Soviets suspended all railroad passenger and freight traffic into Berlin, because of alleged "technical difficulties" on the Berlin-Helmstedt rail line. They also stopped barge traffic on similar grounds.

Shortly before midnight of June 23 the Soviet authorities issued orders to the Berlin central electric switch-control station (located in their sector) to disrupt delivery of electric power from Soviet zone and Soviet sector plants to the western sectors. Shortage of coal was given as a reason for this measure.

Soviet traffic restrictions issued on June 19 were followed by subsequent prohibitions in the following week. West-bound road traffic only was still permitted for a time, subject to Soviet control at check points. Mail and parcel post traffic was completely suspended. On June 24, because of these unacceptable restrictions, the American and British authorities ordered all freight trains from US and British zones to the Soviet zone stopped. Traffic from the East continued to be accepted.

On June 24 the Soviets issued orders prohibiting the distribution of any supplies from the Soviet zone to the western sectors of Berlin thereby violating a four-power agreement for supplying Berlin from a common pool. The Western powers thereupon forbade distribution of any supplies from western sources to the Soviet sector of Berlin.

On June 26 General Robertson in a letter to Marshal Sokolovsky protested against interruption of essential freight traffic between Berlin and the West.

On June 29 Marshal Sokolovsky answered General Robertson's letter. He described the restrictions on international passenger traffic as connected with the currency exchange and announced the re-establishment of rail facilities for movement of the German population. He declared that the restrictions on motor traffic must be retained to prevent conveyance to Berlin of currency from the western zones. He announced that the technical defects on the railroad line were in process of elimination and his expectation that traffic would recommence as soon as possible. He protested against British stoppage of freight train movements between the Soviet and the British zones.



General Robertson answered this letter on July 3, stressing the positive elements of the letter and reiterating his willingness to discuss use of one currency in Berlin. He repeated his request for resumption of normal transportation facilities between Berlin and the West.

On July 3, Generals Robertson, Noiret and Clay visited Marshall Sokolovsky. General Robertson inquired what the technical difficulties were which according to Sokolovsky's letter were holding up train traffic. He asked for assurance that traffic could be resumed at an early date, and when. He further drew attention to the fact that no alternative routes had been made available. Marshal Sokolovsky stated that the question raised by Robertson was important to the Western Allies and that they wanted it treated alone, whereas there were other questions important to him. He continued that he had never said that traffic on the railway was held up for other than technical reasons and that these reasons still applied. He declared at length that

the Western Allies as a result of their London Conference had created economic disorders in the Soviet zone which made it impossible to provide alternate routes. He reiterated that the present stoppage was for technical reasons, although he would not guarantee that when these technical difficulties had been cleared, others might not occur elsewhere.

It became thus evident that further endeavors by the Western Military Governors to settle the Berlin problem locally would serve no useful purpose.



SECTION II

THE MOSCOW DISCUSSIONS

Exchange of Notes on Berlin Crisis

Accordingly the Governments of the United States, the United Kingdom and France decided to make formal representations to the Government of the USSR. The three western powers on July 6 delivered similar notes to Soviet representatives in Washington, London and Paris.

The American Note of July 6. In the American note, the Soviet Government was informed that the United States regarded the blockade measures as "a clear violation of existing agreements concerning the administration of Berlin by the four occupying powers." The United States categorically asserted that it was in occupation of its sector of Berlin with free access thereto "as a matter of established right deriving from the defeat and surrender of Germany and confirmed by formal agreements among the principal Allies." The United States also emphatically declared that it would "not be induced by threats, pressures or other actions to abandon these rights."

This consideration, together with responsibility for the physical well-being of the population of its sector of Berlin, including hundreds of thousands of women and children, obliged the United States to insist that "in accordance with existing agreements the arrangements for the movement of freight and passenger traffic between the western zones and Berlin be fully restored."

The United States emphasized again its willingness to settle by negotiation, or by any of the other peaceful methods provided for in Article 33 of the Charter of the United Nations, any disagreement which might exist between the USSR and the United States over the administration of Berlin, but it stressed that such negotiation could not be entered into as a result of duress. Specifically, the United States offered, once blockade measures were lifted, to participate in negotiations in Berlin among the four Allied Occupying Authorities. The full text of the American note follows:

"The United States Government wishes to call to the attention of the Soviet Government the extremely serious international situation which has been brought about by the actions of the Soviet Government in imposing restrictive measures on transport which amount now to a blockade against the sectors in Berlin occupied by the United States, United Kingdom and France. The United States Government regards these measures of blockade as a clear violation of existing agreements concerning the administration of Berlin by the four occupying powers.

"The rights of the United States as a joint occupying power in Berlin derive from the total defeat and unconditional surrender of Germany. The international agreements undertaken in connection therewith by the Governments of the United States, United Kingdom, France and the Soviet Union defined the zones in Germany and the sectors in Berlin which are occupied by these powers. They established the quadripartite control of Berlin on a basis of friendly cooperation which the Government of the United States earnestly desires to continue to pursue.

"These agreements implied the right of free access to Berlin. This right has long been confirmed by usage. It was directly specified in a message sent by President Truman to Premier Stalin on June 14, 1945, which agreed to the withdrawal of United States forces to the zonal boundaries, provided satisfactory arrangements could be entered into between the military commanders, which would give access by rail, road and air to United States forces in Berlin. Premier Stalin replied on June 16 suggesting a change in date but no other alteration in the plan proposed by the President. Premier Stalin then gave assurances that all necessary measures would be taken in accordance with the plan.

Correspondence in a similar sense took place between Premier Stalin and Mr. Churchill. In accordance with this understanding, the United States, whose armies had penetrated deep into Saxony and Thuringia, parts of the Soviet zone, withdrew its forces to its own area of occupation in Germany and took up its position in its own sector in Berlin. Thereupon the agreements in regard to the occupation of Germany and Berlin went into effect. The United States would not have so withdrawn its troops from a large area now occupied by the Soviet Union had there been any doubt whatsoever about the observance of its agreed right of free access to its sector of Berlin. The right of the United States to its position in Berlin thus stems from precisely the same source as the right of the Soviet Union. It is impossible to assert the latter and deny the former.

"It clearly results from these undertakings that Berlin is not a part of the Soviet zone, but is an international zone of occupation. Commitments entered into in good faith by the zone commanders, and subsequently confirmed by the Allied Control Authority, as well as practices sanctioned by usage, guarantee the United States together with other powers, free access to Berlin for the purpose of fulfilling its responsibilities as an occupying power. The facts are plain. Their meaning is clear. Any other interpretation would offend all the rules of comity and reason.

"In order that there should be no misunderstanding whatsoever on this point, the United States Government categorically asserts that it is in occupation of its sector in Berlin with free access thereto as a matter of established right deriving from the defeat and surrender of Germany and confirmed by formal agreements among the principal Allies. It further declares that it will not be induced by threats, pressures or other actions to abandon these rights. It is hoped that the Soviet Government entertains no doubts whatsoever on this point.

"This Government now shares with the Governments of France and the United Kingdom the responsibility initially undertaken at Soviet request on July 7, 1945, for the physical well-being of 2,400,000 persons in the western sectors of Berlin. Restrictions recently imposed by the Soviet authorities in Berlin have operated to prevent this Government and the Governments of the United Kingdom and of France from fulfilling that responsibility in an adequate manner.

"The responsibility which this Government bears for the physical well-being and the safety of the German population in its sector of Berlin is outstandingly humanitarian in character. This population includes hundreds of thousands of women and children, whose health and safety are dependent

on the continued use of adequate facilities for moving food, medical supplies and other items indispensable to the maintenance of human life in the western sectors of Berlin. The most elemental of these human rights which both our Governments are solemnly pledged to protect are thus placed in jeopardy by these restrictions. It is intolerable that any one of the occupying authorities should attempt to impose a blockade upon the people of Berlin.

"The United States Government is therefore obliged to insist that in accordance with existing agreements the arrangements for the movement of freight and passenger traffic between the western zones and Berlin be fully restored. There can be no question of delay in the restoration of these essential services since the needs of the civilian population in the Berlin area are imperative.

"Holding these urgent views regarding its rights and obligations in the United States sector of Berlin, yet eager always to resolve controversies in the spirit of fair consideration for the viewpoints of all concerned, the Government of the United States declares that duress should not be invoked as a method of attempting to dispose of any disagreements which may exist between the Soviet Government and the Government of the United States in respect of any aspect of the Berlin situation.

"Such disagreements if any should be settled by negotiation or by any of the other peaceful methods provided for in Article 33 of the Charter in keeping with our mutual pledges as copartners in the United Nations. For these reasons the Government of the United States is ready as a first step to participate in negotiations in Berlin among the four Allied Occupying Authorities for the settlement of any question in dispute arising out of the administration of the city of Berlin. It is, however, a prerequisite that the lines of communication and the movement of persons and goods between the United Kingdom, the United States and the French sectors in Berlin and the Western Zones shall have been fully restored. -

"Accept, Excellency, the renewed assurances of my highest consideration."

The Soviet Note of July 14. The Soviet reply to the American note, dated July 14, 1948, contained no reference to the previous explanation of the blockade measures as due to "technical difficulties." Rather, it was now openly admitted that the blockade was in effect retaliation against actions of the western powers in their own occupation zones of Germany. For the first time, and despite

all agreements to the contrary, the Soviet Government put forward the claim that Berlin "is a part of" the Soviet Zone. The Soviet note ended with the contention that Berlin problems were inseparably linked with questions involving the whole of Germany and that negotiations would be effective only if they encompassed the entire German situation. Moreover, the Soviet Government refused to permit restoration of the lines of communication between the western zones and Berlin, which restoration had been declared by the United States Government to be a prerequisite for any negotiations. Translated text of the reply follows:

"1. The Soviet Government has familiarized itself with the note of the Government of the United States of America of July 6, 1948 in which the situation which has been created at the present time in Berlin is described as a result of measures taken by the Soviet side. The Soviet Government cannot agree with this statement of the Government of the United States and considers that the situation which has been created in Berlin has arisen as a result of violation by the Governments of the United States of America, Great Britain, and France of agreed decisions taken by the four powers in regard to Germany and Berlin which (violation) has found its expression in the carrying out of a separate currency reform, in the introduction of a special currency for the western sectors of Berlin and in the policy of the dismemberment of Germany. The Soviet Government has more than once warned the Governments of the United States of America, Great Britain and France in regard to the responsibility which they would take upon themselves in following along the path of the violation of agreed decisions previously adopted by the four powers in regard to Germany. The decisions adopted at the Yalta and Potsdam Conferences and also the agreement of the four powers concerning the control mechanism in Germany have as their aim the demilitarization and democratization of Germany, the removal of the base itself of German militarism and the prevention of the revival of Germany as an aggressive power and thereby the transformation of Germany into a peace-loving and democratic state. These agreements envisage the obligation of Germany to pay reparations and thereby to make at least partial compensation for the damage to those countries which suffered from German aggression. In accordance with these agreements the Governments of the four powers took upon themselves the responsibility for the administration of Germany and bound themselves jointly to

draw up a statute for Germany or for any areas including Berlin which were part of German territory and to conclude with Germany a peace treaty which should be signed by a Government of a democratic Germany adequate for that purpose.

"These most important agreements of the four powers in regard to Germany have been violated by the Governments of the United States of America, Great Britain, and France. Measures for the demilitarization of Germany have not been completed and such a very important center of German military industry as the Ruhr district has been taken out from under the control of the four powers. The execution of decisions concerning reparations from the western zones of occupation of Germany has been interrupted by the Governments of the U.S.A., the U.K., and France. By the separate actions of the Governments of the U.S.A., Great Britain, and France the four power control mechanism in Germany has been destroyed and the Control Council as a result thereof has ceased its activity.

"Following the London meeting of the three powers with the participation of Benelux, measures have been undertaken by the Governments of the U.S.A., Great Britain, and France directed towards the division and dismemberment of Germany including preparations which are now in progress for the designation of a separate Government for the western zones of Germany and the separate currency reform for the western zones of occupation carried out on June 18th of this year.

"In as much as the situation created in Berlin as well as in all Germany is the direct result of the systematic violation by the Governments of the U.S.A., Great Britain, and France of the decisions of the Potsdam Conference and also of the agreement of the four powers concerning the control mechanism in Germany, the Soviet Government must reject as completely unfounded the statement of the Government of the U.S. to the effect that the measures for the restriction of transport communications between Berlin and the western zones of occupation of Germany introduced by the Soviet command for the defense of the economy of the Soviet zone against its disorganization are allegedly in violation of the existing agreements concerning the administration of Berlin.

"2. The Government of the U.S. declares that it is occupying its sector in Berlin by right arising out of the defeat and capitulation of Germany, referring in this connection to agreements between the four powers in regard to Germany and Berlin. This merely confirms the fact that the exercise of the above mentioned right in regard to Berlin is linked to the obligatory execution by the powers occupying Germany of the four power agreements concluded among themselves in regard to Germany as a whole. In conformity with these agreements Berlin was envisaged as the seat of the supreme authority

of the four powers occupying Germany, in which connection the agreement concerning the administration of "Greater Berlin" under the direction of the Control Council was reached.

"Thus the agreement concerning the four power administration of Berlin is an inseparable component part of the agreement for the four power administration of Germany as a whole. After the U.S.A., Great Britain, and France by their separate actions in the western zones of Germany destroyed the system of four power administration of Germany and had begun to set up a capital for a Government for Western Germany in Frankfurt-am-Main, they thereby undermined as well the legal basis which assured their right to participation in the administration of Berlin.

"The Government of the United States in its note points out that its right to be in Berlin is based also on the fact that the United States withdrew its forces from certain regions of the Soviet zone of occupation into which they had penetrated during the period of hostilities in Germany, and that if it (the United States Government) had foreseen the situation, which has been created in Berlin, it would not have withdrawn its forces from those regions. However, the Government of the United States well knows that in removing its troops to the boundaries of the American zone established by agreement of the four powers concerning zones of occupation in Germany it was only carrying out an obligation which it had taken upon itself, the execution of which could alone accord the right of the entry of the troops of the U.S. into Berlin. An examination of the letter referred to in the note of the Government of the U.S.A. of President Truman to Premier Stalin of June 14, 1945 and the letter in reply of Premier Stalin of June 16, 1945 confirms the fact that, thanks to the agreement then reached, the forces of the U.S.A., Great Britain, and France were given the opportunity to enter not only the capital of Germany Berlin, but also the capital of Austria, Vienna, which as is known, were taken only by the forces of the Soviet Army. In addition, it is known that the agreements referred to concerning the question of Berlin and also of Vienna were only a part of the agreements concerning Germany and Austria upon the fulfillment of which the Soviet Government continues to insist.

"3. The Government of the United States declares that the temporary measures put into effect by the Soviet Command for the restriction of transport communications between Berlin and the western zones have created difficulties in supplying the Berlin population of the western sectors. It is impossible, however, to deny the fact that these difficulties were occasioned by the actions of the Governments of the U.S.A., Great Britain, and France, and primarily by their separate actions in the introduction of new currency in the western zones of Germany and special currency in the western



"Berlin lies in the center of the Soviet zone and is a part of that zone. The interests of the Berlin population do not permit a situation in which in Berlin or only in the western sectors of Berlin there shall be introduced special currency which has no validity in the Soviet zone. Moreover, the carrying out of a separate monetary reform in the western zones of Germany has placed Berlin and the whole Soviet zone of occupation as well in a situation in which the entire mass of currency notes which were cancelled in the western zone threatened to pour into Berlin and the Soviet zone of occupation of Germany.

"The Soviet Command has been forced therefore to adopt certain urgent measures for the protection of the interests of the German population and also of the economy of the Soviet zone of occupation and the area of "Greater Berlin". The danger of the disruption of the normal economic activity of the Soviet zone and of Berlin has not been eliminated even at the present time, in as much as the United States, Great Britain and France continue to maintain in Berlin their special currency.

"Furthermore, the Soviet Command has consistently displayed and is displaying concern for the well being of the Berlin population and for assuring to them normal supply in all essentials and is striving for the speediest elimination of the difficulties which have arisen recently in this matter. In this connection, if the situation requires, the Soviet Government would not object to assuring by its own means adequate supply for all "Greater Berlin".

"With reference to the statement of the Government of the United States that it will not be compelled by threats, pressure or other actions to renounce its right to participation in the occupation of Berlin, the Soviet Government does not intend to enter into discussion of this statement since it has no need for a policy of pressure, since by violation of the agreed decisions concerning the administration of Berlin the above-mentioned Governments themselves are reducing to naught their right to participation in the occupation of Berlin.

"4. The Government of the United States in its note of July 6 expresses the readiness to begin negotiations between the four Allied occupying authorities for consideration of the situation created in Berlin but passes by in silence the question of Germany as a whole.

"The Soviet Government, while not objecting to negotiations, considers, however, it necessary to state that it cannot link the inauguration of these negotiations with the fulfilling of any preliminary conditions whatsoever and that, in the second place, four-power conversations could be effective only in the event that they were not limited to the question

of the administration of Berlin, since that question cannot be severed from the general question of four-power control in regard to Germany.

"Accept, Mr. Secretary of State, the assurances of my highest consideration."




Preliminaries to Stalin Meeting

Western Request for Discussions with Stalin and Molotov. The Government of the United States, as well as the Governments of the United Kingdom and France, considered the Soviet reply to their notes of July 6 unsatisfactory. Nevertheless, desiring to leave no stone unturned in the interest of peace, they decided to make another appeal to Soviet authorities. A request for an appointment on July 30 for representatives of the three powers to meet with Foreign Minister Molotov met with a reply from Mr. Molotov's principal secretary, Erfeev, to the effect that the Foreign Minister was "on vacation," and the suggestion that in view of Mr. Vishinsky's absence as well, the matter be taken up with Deputy Foreign Minister Zorin. US Ambassador Smith pointed out that the matter was of great importance, and inquired whether Molotov personally might be available "within a few days." Erfeev promised to investigate; but later the same day he reported that since Molotov's vacation had only just begun, it would be necessary for the western representatives to see Zorin. It was decided to present the problem to Zorin. At 6 p.m. on July 30, a meeting with Zorin was held and he was handed by Ambassador Smith the following aide memoire (similar to those handed simultaneously to Zorin by the British envoy, Mr. Roberts, and by the French Ambassador, Mr. Chataigneau, on behalf of their respective governments):

US Aide Memoire. "The United States Government has given the most serious consideration to the note delivered by the Soviet Ambassador in Washington and have exchanged views with the British and French Governments on the similar notes received by these Governments. The United States Government does not accept the contention in the Soviet note that the right of the Western occupying powers to participate in the occupation of Berlin no longer exists, and while they do not wish to enter into a detailed discussion of the allegations contained in Mr. Panyushkin's note of July 14, they would like to make it plain at the outset that they cannot accept the Soviet version of the facts nor the interpretation placed on them.

Whatever may be the reasons which have led the Soviet authorities to decide the restriction of communications between Berlin and Western zones of occupation of Germany, whether these reasons be technical as was first stated, or political, as Mr. Panyushkin's note would seem to indicate, the measures taken by the Soviet authorities in Berlin have created an abnormal and dangerous situation, the gravity of which does not need to be emphasized.

The Soviet reply of July 14 offers no constructive suggestion for the bringing to an end of the abnormal situation in Berlin. Nevertheless the United States Government as any peace-loving government, holds the view that this situation is capable of settlement. They trust that the Soviet Government share this view: the question of negotiation has never been, and is not the issue. The willingness to negotiate in the absence of duress has always been there. In the opinion of the United States Government, the best way to a solution of the present difficulties lies in direct approach. They think that a frank discussion between Generalissimo Stalin and Mr. Molotov on one side and the representatives of each of the three Western occupying powers on the other side should give the opportunity of finding a solution. I accordingly have been instructed by my Government to request that you should arrange an interview between Generalissimo Stalin and Mr. Molotov on the one hand and the French Ambassador, the U.K. Charge d'Affaires and myself on the other hand in order to discuss the present situation in Berlin and its wider implications."



Conversation with Zorin. The reaction of Mr. Zorin to the western representation was described by US Ambassador Smith as "uncompromising." Zorin stated that the absence of Mr. Molotov on vacation prevented for the time being the granting of the requested meeting. He then said that there was no indication in the aide memoire of any change in the position of the US or of any subjects which would make profitable a discussion with Generalissimo Stalin and Mr. Molotov. However, he would transmit the request to his government for consideration. Ambassador Smith replied that the presentation had been brief since the general position of the US had already been made clear. It would be redefined and amplified during the proposed discussions.

Mr. Zorin said that he could only say that the position of the Soviet Government had also been clearly defined in its note of July 14 but that he would, as previously stated, present the request to his government.

Preliminary Meeting with Molotov, July 31. On the day following the Zorin interview, the representatives of the western powers were informed that separate appointments with Mr. Molotov had been arranged for the same evening. At the meeting with Ambassador Smith, Molotov referred to the aide memoire and asked what kind of discussion and negotiations the western governments had in mind, at present and for the future. On Smith's replying that the aide memoire was intentionally brief and lacking in detail, since it was the purpose of the proposed conversations to develop necessary detail, Molotov repeated the point made in the Soviet note of July 14 to the effect that conversations regarding Berlin were not practical except within the framework of conversations regarding all of Germany. He then pressed for a statement of US views as to

problems relating to Germany as a whole. Ambassador Smith reported that in reply he stated that : the formal position of the two governments had been made clear in the two notes which had been exchanged, but the formal written word was very rigid and much more could be accomplished by informal exploration.

Molotov then said that he would report to his government on the US, British, and French approaches; that he hoped Stalin would agree to meet the representatives of the three governments; and that his purpose in this talk was simply to clarify our proposals.



The first Meeting with Stalin

The requested interview between representatives of the western powers on the one side and Stalin and Molotov on the other took place on August 2 at nine in the evening.

Ambassador Smith opened the conversation by presenting the following oral statement to Generalissimo Stalin:


"It is not our purpose at this time to rebut in detail the charges contained in the Soviet note. It is highly important, however, to make completely clear certain fundamental points in the position of the United States, the United Kingdom and France and to clarify the position of the Soviet Union which in certain respects is obscure. The Three Governments must re-emphasize their right to be in Berlin to be unquestionable and absolute. They do not intend to be coerced by any means whatsoever into abandoning this right.

"Action taken by the Soviets in interfering with rights in connection with occupation, derived through the defeat and surrender of Germany and through international agreement and usage, by interrupting communications between Berlin and the Western zones, thus interfering with duties of Allied Military Forces of Occupation, is viewed with extreme seriousness by the Governments of the United States, the United Kingdom and France. It is incumbent on them to take such measures as are necessary to assure the supply of their forces and discharge of their occupational duties. The United States, the United Kingdom and France do not wish the situation to deteriorate further and assume that the Soviet Government shares this desire. The Three Governments have in mind restrictive measures which have been placed by Soviet authorities on communication between the Western zones of Germany and Western sectors of Berlin. It was the feeling of our Governments that if these measures arose from technical difficulties, such difficulties can be easily remedied. The Three Governments renew their offer of assistance to this end. If in any way related to the currency problem, such measures are obviously uncalled for, since this problem could have been, and can now be, adjusted by representatives of the four powers in Berlin. If, on the other hand, these measures are designed to bring about negotiations among the four occupying powers they are equally unnecessary, since the Governments of the United Kingdom, the United States and France have never at any time

declined to meet representatives of the Soviet Union to discuss questions relating to Germany. However, if the purpose of these measures is to attempt to compel the three Governments to abandon their rights as occupying powers in Berlin, the Soviet Government will understand from what has been stated previously that such an attempt could not be allowed to succeed.

"In spite of recent occurrences, the three powers are unwilling to believe that this last reason is the real one. Rather they assume that the Soviet Government shares their view that it is in the interest of all four occupying powers, of the German people and of the world in general to prevent any further deterioration of the position and to find a way by mutual agreement to bring to an end the extremely dangerous situation that has developed in Berlin.

"The Soviet Government will, however, appreciate that the three Governments are unable to negotiate in the situation which the Soviet Government has taken the initiative in creating. Free negotiations can only take place in an atmosphere relieved of pressure. This is the issue. Present restrictions upon communications between Berlin and the Western zones offend against this principle. When this issue is resolved, such difficulties as stand in the way of resumption of conversations on the lines set out above should be removed."



The remainder of the two hour meeting was taken up with a discussion which developed from the points brought out in Ambassador Smith's statement.

Premier Stalin, though emphatically maintaining that it was not the purpose of the Soviet Government to oust allied forces from Berlin, reiterated the contention of the Soviet note of July 14 that the Western Powers no longer had a juridical right to occupy Berlin. This of course was categorically rejected in the statement just presented by Smith which declared that the three Western Governments "re-emphasize their right to be in Berlin to be unquestionable and absolute. They do not intend to be coerced by any means whatsoever into abandoning this right."

Discussion of the possibility of resumption of negotiations on Berlin and of a Four Power meeting to consider problems relating to Germany as a whole revealed agreement as to the desirability of such developments. But to a suggestion by Stalin as to items to be included in the agenda of a Four Power meeting, the western representatives replied that they were not in a position to consider an agenda, and that in any event negotiations on broad German problems would not be possible until duress in Berlin was removed.

Stalin developed the argument that the communication restrictions in Berlin had been made necessary because of the decisions taken at London in regard to the establishment of a new German government at Frankfort and because of the introduction of a special western currency in Berlin. The western representatives explained that, contrary to the Generalissimo's apparent understanding, it had never been contemplated that the government at Frankfort would be a central German government.

The agency now to be set up under the London decisions would in no way hamper eventual understanding on a central Government for a united Germany. The western representatives added that they were not authorized to discuss the London decisions. They would report Stalin's views; but in the meanwhile they felt strongly that agreement should be reached on the immediate issues in regard to Berlin.



At the opening of the meeting, Smith had specified in his prepared statements after emphasizing that the three Western Powers were in Berlin as a matter of right and as co-equals, that if the blockade measures were "in any way related to the currency problem, such measures are obviously uncalled for, since this problem could have been, and can now be, adjusted by representatives of the Four Powers in Berlin." There seemed no reason, consequently, why agreement could not immediately be reached with respect to the Berlin situation. However, Smith stated that he was not himself an expert on currency matters and that the western representatives were not competent to deal with technical arrangements of the currency question; with this view his British and French colleagues associated themselves.

At the end of the discussion Stalin asked whether the western representatives wanted to settle the matter that night. If so, he could meet them and make the following proposal:

(1) There should be a simultaneous introduction in Berlin of the Soviet zone Deutsche mark in place of the western mark B, together with the removal of all transport restrictions.

(2) He would no longer ask as a condition the deferment of the implementation of the London decisions although he wished this to be recorded as the insistent wish of the Soviet Government.

Ambassador Smith then asked Stalin about the announcement of a resumption of negotiations on Berlin and holding a four-power meeting to consider other problems affecting Germany. Stalin said they should be included. Following this the three western representatives agreed to present Stalin's proposal to their Governments.

Reaction to Stalin Meeting. It was the belief of the western governments that the progress made in the discussion with Stalin and Molotov was such that the settlement of the immediate Berlin crisis could be effected. The Soviet authorities were prepared to remove all transport restrictions between Berlin and the western zones. Resumption of negotiations on Berlin and a Four Power meeting to consider other outstanding problems affecting Germany was accepted without conditions, although Stalin wished it recorded as the insistent desire of the Soviet Government that the execution of the London decisions with respect to the establishment of a western German government be suspended until such time as the Four Powers met and tried to reach an agreement concerning Germany.

There remained the problem of working out general details with Molotov, and the arrangement of technical matters regarding the substitution of the Soviet zone mark for the western B mark in Berlin.

In order, however, that there should be no misunderstanding of the position of the American Government in regard to finalizing the currency proposal developed at the meeting, the following specific instruction was sent to Ambassador Smith:

"We agree to the outline of the draft statement developed at your August 2 meeting with Stalin and Molotov.

"Our acceptance of Soviet zone currency in Berlin cannot be unconditional and its use must be subject to some form of quadripartite control. This requirement is essential for the maintenance of our position in Berlin and is made doubly necessary because of Soviet action of the last few days in freezing the accounts of western sector enterprises in Berlin.

"The substitution of the Soviet zone mark for the B mark in Berlin can now be accepted in principle but our agreement must be supplemented by a satisfactory agreement providing for quadripartite control of the availability and use of the Soviet currency in Berlin. In our opinion such agreement should include control of credit, uniform application of credit rules and currency issue within Berlin, availability of sufficient funds for occupation powers, and some arrangements to cover trade between the Western zones and Berlin. Arrangements of this character are necessary for the orderly use of separate currencies in the Eastern and Western zones."

Although the interview with Stalin had ended without his having made it a condition precedent to settlement of the Berlin crisis that there should be a suspension of the execution of the London decisions with respect to the establishment of a western German government, his earlier expressed concern with that development received careful consideration, both by the western representatives in Moscow, and by this government. Having it in mind, the Department of State sent Ambassador Smith the following for his information in case this question should arise again:

"September 1 does not represent the date of formal establishment of such a governmental organization. It is rather the date on which representatives from the German states will begin the exploratory study of the problems involved in the setting up of the common organization. It is certainly not intended that any conclusions that they reach shall preclude or contravene any agreement arrived at by the four powers on a government for all Germany."

The Drafting Meetings With Foreign Minister Molotov

On the basis of the foregoing and other similar instructions, as well as points developed in conversations with the British and French, Ambassador Smith joined with his British and French colleagues acting under the instructions of their respective governments in an endeavor to arrive at a draft implementation of the conversation with Prime Minister Stalin to be brought into final form in a further conversation with Foreign Minister Molotov. To this end they then arranged a meeting with the latter which in fact became a drawn out series of meetings with him, on August 6, 9, 12 and 16, some of them over three hours long, ending in failure to arrive at any satisfactory agreement.

This failure to reach agreement in drafting a concrete implementation of the principles for terminating the Berlin crisis, as discussed with Stalin, resulted from the fact that the fundamental objectives from which Molotov approached the drafting were diametrically opposed to those of the western representatives. This fundamental conflict is reflected in the differences between the initial draft suggested by the latter, and the counter-draft proposed by Molotov.

The Initial Western Draft. The initial draft proposed by the western representatives and rejected by Molotov was in the form of a draft communique for issuance in the name of the four governments. Its text is as follows:

"As the result of discussions held in Moscow between Generalissimo Stalin and Mr. Molotov, and French, United Kingdom and United States representatives, the Governments of France, the United Kingdom, the United States of America and the Union of Soviet Socialist Republics have agreed as follows:

"All restrictions which have been imposed on the transport of persons and goods in either direction between the three western zones of Germany and Berlin shall be immediately removed, and freedom of communications shall be maintained.

"Meetings shall be held among representatives of the four governments to consider any questions which may be outstanding as regards Berlin and any other outstanding problems affecting Germany as a whole.

"Soviet zone mark will be accepted as the sole currency for Berlin and the Western mark will be withdrawn as soon as quadripartite arrangements have been agreed upon by the four military governors for the issue and control of currency in Berlin. These arrangements shall ensure: No discrimination or action against holders of either eastern or western zone currency; equal treatment as to currency and provision of fully accessible banking and credit facilities for all sectors of Berlin; adequate funds for budgetary purposes and occupation costs; and a satisfactory basis for trade between Berlin and the western zones. Implementation of these arrangements shall be carried out by the Berlin Kommandatura."

Mr. Molotov's Counter-draft. Mr. Molotov rejected the foregoing draft and, at the second meeting, on August 9, made his own counter-proposal in the following substitute text:

"1. All restrictions which have been imposed after the announcement of currency reform in the western zones on the transport of persons and goods in either direction between the three western zones of Germany and Berlin shall be removed on August 15 and freedom of communications shall be maintained in accordance with the present agreement.

"2. All restrictions which have been imposed after the announcement of currency reform in the western zones on the traffic of goods to and from the Soviet Zone and the three western zones of Germany shall be removed on August 15 and freedom of communications shall be maintained.

"3. Meetings among representatives of the four governments in the form of the Council of Foreign Ministers or a separate conference of representatives of the four powers shall be held in the near future to discuss:

"(A) Any questions which may be outstanding as regards Berlin and

"(B) Any other outstanding problems affecting Germany as a whole.

In the negotiations which took place between representatives of the four powers consideration was given to the wish of the Soviet Government to defer the implementation of the decisions of the London conference on the creation of a west German Government until the results of the above mentioned meeting of representatives of the four governments have been ascertained. In this connection the representatives of the three western powers stated that the governments of these powers do not propose for the time being to deal with the question of the formation of a government for western Germany.

"4. The German mark of the Soviet Zone shall be accepted as from August 15 as a sole currency for Berlin and the western mark "B" shall be simultaneously withdrawn from circulation in Berlin.

"The regulation of currency circulation in Berlin shall be undertaken by the German bank of emission of the Soviet zone of occupation through the credit establishments operating at present in Berlin and shall be equally extended to the whole of Berlin without discrimination against any part of Berlin; organizations, enterprises, firms and private persons in Berlin shall be allowed to maintain unhampered trade and economic connections with third countries and the western zones of Germany through the German export-import agency of the Soviet zone.

"Occupation costs resulting from the presence of forces in Berlin shall be met from the budgets of the respective zones of occupation of Germany, Berlin being exempted from defraying occupation costs."

Fundamental Differences. The fundamental differences between these two drafts are evident. The western draft proceeds from the position that the western occupation forces in Berlin are there as a matter of established right, and seeks to liquidate the present crisis on an orderly basis which would permit the use of the Soviet zone currency throughout Berlin provided that the terms of such use could be agreed upon among the four powers and that this agreed use would be under quadripartite control. The Molotov counterdraft proceeds from the position that the western allies have lost their right to be in Berlin but would be permitted to remain there by "the present agreement" which

in turn would enable the Soviet authorities to exercise full economic control over Berlin and to block further development of plans for the formation of a western German government, while remaining able at any time to resume obstruction of our access to Berlin if they considered we were not complying with "the present agreement".

The Molotov draft provided for lifting of communication restrictions imposed "after the announcement of currency reform in the western zones" (i.e. June 19). This would have meant the continuation of a large number of hampering measures which had been put into effect between March 30 and June 19 (see Section II above), and would have constituted tacit acceptance of the Soviet contention that its inauguration of a blockade had been "defensive" in character, a contention which the western governments categorically rejected. Molotov's version also reintroduced the question of implementation of the London decisions regarding western Germany, despite the fact that it had been understood at the Stalin meeting that this issue would not constitute a condition to agreement on a settlement of the Berlin crisis. Furthermore, the Molotov draft would have delegated control over Berlin's currency and credit to a bank subject to exclusive Soviet control, and similarly would have entrusted the conduct of Berlin's external trade entirely to a Soviet dominated agency.

The western representatives immediately voiced their objections to this draft. They said they would of course transmit it to their respective governments, but that they were sure that it would be found unacceptable, for reasons which they pointed out forthwith. Considerable time was also devoted to an

examination of its details in order that the western representatives might also give their governments the benefit of an analysis of Molotov's thinking concerning it to facilitate the search for some acceptable basis for agreement.


As anticipated by Ambassador Smith, the United States Government found the Molotov formula quite unacceptable. The objections to certain of its features are specified in the following excerpts from instructions sent to Ambassador Smith:

"We find, as you correctly informed Molotov, the Soviet counterdraft unacceptable in its present form. It is apparent from this draft and from the statements of Stalin and Molotov on the subject that the Soviet Govt. is seeking to establish its thesis that quadripartite control of Germany and consequently of Berlin as well has lapsed and therefore whatever agreement may be reached in the Moscow discussions will constitute the only (repeat only) Four Power Agreement concerning Berlin. This position is of course completely unacceptable to this Government. We have maintained and will continue to maintain that mere Soviet assertion cannot vitiate the quadripartite agreements, including those defining the rights and duties of the Western Powers in Berlin. We feel it extremely important that this point be covered in order to avoid any misunderstanding in the future as otherwise the Soviet authorities will probably maintain that the Three Western Powers in effect accepted the Soviet thesis that the previous Four-Power agreements concerning Germany and Berlin are no longer valid and that failing any Four Power agreements at the Council of Foreign Ministers or elsewhere we have no rights in Berlin other than those accorded by the agreements set forth in the proposed announcement.

"...

"As previously stressed, we cannot recognize Berlin as part of the Soviet Zone and it follows from this that we cannot accept the conduct of Berlin's external trade through the medium of the Soviet Zone's trade monopoly. Because of their supplies of food and raw materials to Berlin, the Western nations have a substantial interest in the city, and in seeking agreement on the regulation of trade matters they are asking for no more than an

assurance concerning the proper and efficacious use of their contributions. The economic well-being of Berlin depends on the maximum freedom of its trade with the other parts of Germany. In the interest of simplification and in order to obviate a currency war, the Western nations are willing to accept a Soviet zone mark as the sole circulating medium but four-power supervision of its use in Berlin is essential to establish a satisfactory economic relationship between Berlin and the rest of Germany."



The British and French Governments were also unable to accept the Soviet position reflected in Molotov's counter-draft. The three representatives informed him of the positions of their governments in the next meeting which was held on August 12. At this meeting, the following agreed statement was made by Ambassador Smith on behalf of the three powers:

"We have now received and compared instructions from our respective governments and find, as anticipated at the conclusion of the August 9 conference, that the Soviet proposals in their present form are unacceptable. Mr. Molotov will recall that at the last conference we each directed particular attention to paragraphs 3 and 5 of the Soviet draft and stated they raised issues which our governments regarded as of fundamental importance. I will refer to these issues again during our detailed discussion of the Soviet draft and reemphasize the position of our governments with respect thereto.

"1. The Soviet Government has inserted into the original western draft the words 'after announcement of currency reform in the western zones'. The other three governments cannot agree to insertion of these words. Their inclusion would mean that certain restrictions on communications between Berlin and the western zones which began long before currency reform took place in western Germany would not be wholly removed. However, as said before, the Governments of France, the United Kingdom and the United States are willing to settle as between the Allied Commanders in Berlin the necessary regulations to prevent illicit black market operations in currency, etc., between the western and eastern zones of Germany or between the western zone of Germany and the western sectors of Berlin, which we understood from Mr. Molotov to be a major concern of the Soviet Government.

"The Soviet draft also inserts at the end of paragraph 1 the words 'in accordance with the present agreements', which are not included in paragraph 2. Our governments are unable to accept these words which imply a new agreement is now being made derogatory to or possibly even invalidating established rights of the French, British and American Governments in regard to Berlin. These rights were clearly set forth in the oral statement made to Generalissimo Stalin and Mr. Molotov on August 2 and have been reiterated emphatically at our subsequent conferences. Our governments are not prepared to make any new agreement now which might be held in any way to weaken these rights.

"2. It is clearly the intention of all four governments that paragraphs 1 and 2 should be uniform in so far as possible. Accordingly our governments consider that the words 'after the announcement of currency reform in the western zones' should also be deleted from paragraph 2 although we are unaware of any restrictions placed on interzonal trade before currency reform was introduced in the western zones.

"3. Our governments are not in any circumstances prepared to agree to the additional sub-paragraph inserted by the Soviet Government. As they understand the position, it is that Generalissimo Stalin made an oral statement regarding the insistent desire of the Soviet Government for deferment of the physical establishment of a west German Government. In reply I made an oral statement on behalf of the United States Government with which the representatives of the French and British Governments associated themselves, and this statement went as far as possible to meet the Generalissimo's oral statement. The Generalissimo expressly declared that this statement was not a condition for issuance of the joint statement now under discussion in Moscow. The statements made on the one hand by the Generalissimo and on the other hand by the British, French and American representatives were made privately but have been recorded. Our governments cannot agree to any statement on this matter being inserted in a published communique representing preliminary agreement by our four governments nor are they prepared to accept any suggestion that negotiations have taken place on this subject. As we stated very clearly in the original conference with Stalin and yourself at the outset of our conversations, our governments are only prepared to undertake negotiations in an atmosphere free of all pressure and cannot accept any position which carries implication of negotiating under duress.

"4. While the principle implied in the first sub-paragraph is acceptable, the paragraph as written in the Soviet draft is unacceptable for reasons given to Mr. Molotov on August 9. Our governments consider that the re-draft proposed by the Soviet Government involves a fundamental question of principle. They can only interpret the wording of this paragraph in the Soviet draft as implying a Soviet intention to incorporate Berlin fully into the Soviet zone. The position of our respective governments on this question and its essential connection with Four-Power discussions on Germany as whole have been stated on several different occasions during our earlier conversations and need not be repeated now. Consequently, while prepared to accept substitution of the Soviet zone mark for the western mark as the sole currency for Berlin, such acceptance is possible only if some Four-Power regulation of the flow and use of the Soviet currency in Berlin proper is provided which safeguards the rights and interests of our three governments in Berlin and the legitimate interests of the Berlin population, while taking fully into account.

as explained in our previous meeting, the legitimate interests of the Soviet occupation authorities, and their responsibilities for safeguarding the economic situation in the Soviet zone, which we fully recognize. In the opinion of our governments the Soviet draft of Paragraph 4 completely fails to take into account these basic considerations, which are concerned not only with fundamental issues of principle but also with essential and practical issues of daily economic life in Berlin. I repeat that while ready to consider and assist in a practical solution of the currency problem in Berlin on a basis of sole use of Soviet currency, our governments can only do so if the Soviet Government is prepared to recognize our basic rights in Berlin. This is really the crux of the matter, but I will mention further details.

"Aside from these fundamental questions of principle, clarification is required of the phrase in sub-paragraph 2 concerning 'discrimination against any part of Berlin'. We think our intentions are the same. In the draft we submitted on August 6 this phrase read 'no action or discrimination against the holders of eastern or western zone currency'. If, as we assume, the Soviet draft covers discrimination not only against any part of Berlin but against all persons, firms, etc., resident in any part of Berlin, this corresponds to our own intention and in that case our governments suggest that the phrase in the August 6 draft would be clearer.

"Then we come to trading agencies. This brings us back to our fundamental point. We cannot recognize Berlin as part of Soviet zone, and it follows from this that we cannot accept conduct of Berlin's external trade through the medium of Soviet zone trade monopolies. Our governments have a substantial interest in city and in seeking agreement on regulation of trade matters, we are asking for no more than assurances concerning proper and effective use of our very extensive contributions to the economy of Berlin. The economic well-being of Berlin depends on maximum freedom of its trade with other parts of Germany. This confirms again, from our viewpoint, the necessity of technical discussions in Berlin and the impossibility of such discussions among us here. In the interest of simplification and to obviate a currency war our governments are willing to accept the Soviet mark as sole circulating medium but I must say again that Four-Power supervision of its use in Berlin is essential to establish satisfactory economic relationship between Berlin and the rest of Germany. It is possible that Molotov misunderstood the wording in our draft: 'For the issue and control of currency in Berlin.' We do not insist on control over the total issuance of Soviet Zone currency. What we are seeking is agreement for quadripartite regulation of the flow and use of Soviet Zone currency within Berlin and in trade. Our governments are convinced it is necessary to provide for non-discrimination as to availability

of currency throughout Berlin through equitable budgetary and credit procedures and the orderly conduct of trade between Berlin on one hand and the Western and Eastern Zones and third countries on the other. This can only be done by some quadripartite authority in Berlin.

"While our governments consider the question of occupation costs a pertinent one, they do not believe the Soviet proposal in sub-paragraph four of paragraph four is best adapted for this purpose. The Soviet draft implies that the British, French and American Governments have no right to claim occupation costs in or from Berlin. Our governments cannot accept this position and they maintain their rights to call on the Berlin magistrat to meet such charges, and are not prepared to obtain what is their fully established right from sources under the control of another power. Our governments have for a long time past been contributing largely to the supply of Berlin with food and coal with no appreciable reimbursement and they see no reason why Berlin, which is part of Germany, should not bear its due share of the occupation costs, particularly since the heavy costs of the Soviet occupation forces in Germany are, according to the Soviet proposal, to be borne by the Soviet zone surrounding Berlin. This question might be dealt with as proposed in our draft of August 6 or postponed for discussion at the time when the Four-Powers meet to discuss the question of Berlin and Germany in all its aspects. I must, however, emphasize that the view of our governments on this question is one of principle affecting their juridical rights in Berlin."



Mr. Molotov's reaction to this statement was summarized by Ambassador Smith as follows:

"Molotov's reply was very cursory in regard to the first two paragraphs. He suggested words 'in conformity with what is set forth below' as substitution for last phrase of paragraph 1, and remarked that satisfactory alternative wording could probably be found which would more specifically define restrictions which were to be removed, in lieu of the wording to which we objected in paragraph 1 and 2. He then reverted to paragraph 4. Today, however, he did not as on previous occasions reject our position in Berlin nor did he insist that quadripartite control had lapsed nor maintain any demand for the Soviet wording of this paragraph. His conversation seemed to me to be generally exploratory, in order to determine whether or not we had reached our definite and final bargaining position. We continued to press strongly the point that our entire discussions really hinged on one basic factor--our right to be in Berlin and to continue quadripartite regulation and control of the flow and use of the new currency when introduced. Molotov never directly challenged any of our statements in this connection. He also readily admitted that certain practical questions would have to be settled in Berlin. The point to which he reverted most frequently and on which he seemed to concentrate today was the specific mention of a date on which the currency change would be made and the restrictions lifted. Discussion of this subject became involved and protracted and finally, to bring matters to a head, we suggested the possibility that a tentative date be accepted toward which planning would begin immediately in Berlin by the four military commanders, pointing out that until the machinery for the control and use of the Soviet mark was established any date was meaningless. This subject also Molotov did not directly challenge or reject, although he criticized it as vague. It was our opinion that at the last he wilfully misunderstood it.

"Molotov then discussed occupation costs briefly, taking the attitude that he could not see any reason in our objection to the Soviet formula or to exempting Berlin from cost of occupation since all Four Powers were treated alike. An interesting feature of this phase of the discussion was that again he failed to challenge our juridical right, stating that Soviet proposals in this matter did not affect juridical rights of either side to be in Berlin, and that the problem was purely a practical one. We took note of this.

Our final statement was that the solution of question of occupation costs was dependent on solution of basic question which remained to be dealt with in first part of that paragraph. This brought us back to the question of currency, and after lengthy discussion Molotov suggested as an alternate solution that the Soviet Government might be willing to agree to the issue of the same quantity of Soviet zone marks for the Western sectors of Berlin as have been issued or introduced in Berlin by Western Powers, arguing that this would dispose of the technical question. We rejected this on the ground that it did not cover our basic requirement which was quadripartite control of currency in Berlin, and did not provide enough currency for our present and future operations.

"After this Molotov again came back to question of a fixed date for the introduction of Soviet currency in Berlin and the lifting of traffic restrictions, and proposed that we draw up a list of questions relating to the flow of currency to be discussed by the representatives of the Soviet Union and Western Powers in Berlin. We replied that we would be perfectly willing to accept a tentative date and in fact proposed such discussion, but that the Commanders in Berlin must be provided with terms of reference which covered the basic points on which we insisted, and the technical points which we felt must be settled with regard to new currency. There was still outstanding the major question of Four Power control in Berlin and until this was decided, nothing could be done. We said it would be worse to fix a date and fail to meet it than to leave things as they are now.

"We then asked Molotov if he could meet us on the question of Four Power regulation of currency. He evaded direct reply to this by reverting to the second part of Paragraph 3 (London Agreements) although not aggressively. We repeated our Governments past objection to the Soviet wording on the lines of Paragraph 3 in the following telegram. He then suggested substituting for the second part of Paragraph 3 our oral statement of August 6. We reiterated that our instructions were specific and our Governments could not agree to any statements of this nature being inserted in a communique representing preliminary agreement. However, I said I was willing to ask my Government if the oral exchange between Generalissimo Stalin and ourselves might be confirmed confidentially by written notes, providing agreement was reached on all other points.

"Roberts then suggested that insertion of this material would unbalance the document, pointing out that Articles I and II were to our mutual

Secretary's
+4
advantage, and insofar as the Soviet Government might think Part I benefitted us more than Part II benefitted them, this was more than balanced by Paragraph 4. Paragraph 3 would, we hoped, be to our mutual advantage. Molotov agreed, and at this point for a few minutes I thought that he was going to accept and conclude the conference. However, he recovered himself and rediscussed some of the parts of Paragraph 4, during which occasion was taken to point out that he would have to meet us on the basic point of principle under 4 if we were even to consider his proposal under 3, emphasizing again that unless our basic requirement for Four Power control and regulation of currency in Berlin were accepted, the rest of the document would automatically fall.

"Molotov terminated the conversation shortly afterward by saying that he would report our statements to his Government, who would consider them carefully. We said we would report his comments and proposals and would inform him when we were ready for further discussions."

Though failing to produce definitive progress toward final agreement, the atmosphere of the August 12 meeting was sufficiently encouraging to induce the western powers to examine exhaustively among themselves the issues in controversy, and to reduce their demands to absolute essentials in the hope that Soviet objections would be overcome. These efforts resulted in the following draft text which was presented to Molotov at the fourth and last drafting meeting, that of August 17:

"One. On August 25 all restrictions which have been imposed since March 1 on transport of persons and goods in either direction between the three western zones of Germany and Berlin shall be removed and freedom of communications shall be maintained.

"Two. On August 25 all restrictions which have been imposed since March 1 on traffic of goods to and from Soviet zones of Germany shall be removed and freedom of communications shall be maintained.


"Three. The four military governors are charged with the duty of making all arrangements necessary to ensure that the provisions of paragraphs one and two above are brought into effect on August 25.

"Four. In addition to meetings of military governors meetings among representatives of four governments in form of CFM or other conferences of representatives of four powers shall be held in near future to discuss: (A) Any questions which may be outstanding as regards Berlin and (B) any other outstanding problems affecting Germany as a whole.

"Five. As from August 25 the German mark of the Soviet zone shall be accepted as the sole currency for Berlin and the western mark "B" shall be simultaneously withdrawn from circulation in Berlin provided however that before that date the four military governors shall have worked out arrangements for continued issue and use in Berlin under quadripartite authority, of German mark of Soviet zone.

46

"These arrangements shall ensure no discrimination or action against holders of German marks of either the Soviet zones or western zones; equal treatment as to currency and provision of full and accessible banking and credit facilities throughout all sectors of Berlin; unhampered trade and economic connections with third countries and with all zones of Germany subject only to such provisions as may be agreed from time to time among four military governors; and provision of sufficient currency for budgetary purposes and occupation costs. These arrangements shall be implemented by four military governors."



This latest redraft was received by Mr. Molotov in much the same way as the first draft. The western representatives discussed it with him for nearly four hours. His reaction to it appeared to be mainly exploratory, to try to sound out the western representatives.

After a lengthy discussion of specific points in it, much along the lines of the earlier discussions, Smith and his colleagues were unable to convince Molotov that their draft met his requirements. Breaking off the discussion of particular points, Molotov suddenly suggested that he could provide a simple formula to deal with paragraphs 1, 2 and 5, and that the other paragraphs could be left for later discussion as being relatively unimportant. He then wrote down and read out the following proposed directive to the military governors in Berlin:

"The Governments of France, Great Britain, US and USSR have agreed that the following steps should be taken simultaneously:

"(A). Restrictions recently imposed on both sides on communications between Berlin and the western zones shall be lifted;

"(B). The German mark of the Soviet zone shall be introduced as the sole currency for Berlin, and the western mark 'B' shall be withdrawn from circulation in Berlin.

"In connection with the above you are instructed to examine, together with your colleagues, within the shortest time possible and if possible before August 25, the detailed arrangements necessary for the implementation of this agreement and to inform your government of the exact date on which provisions under 'A' and 'B' above can be brought into effect."

As the discussion had already gone on for more than two hours, and Molotov showed no disposition to give serious consideration to accepting the draft proposed

by Smith and his colleagues, they stated that they would be willing to submit his new proposal to their governments but that it would serve no useful purpose to do so unless the directive he suggested were completed by adding an additional paragraph covering all the points in the second part of their draft paragraph 5 which their governments consider the absolute minimum that could be accepted in the way of a directive to the four military governors. Molotov argued against this, taking the line, contrary to his previous position, that the military governors in Berlin might very well be able to work practical solutions of the technical problems without specific instructions. Smith pointed out that this would simply transfer the unsolved problems from Moscow to Berlin, with even less hope of a solution in the absence of agreement in Moscow on the two or three basic issues which still remain unsettled. He then agreed to go through the western draft together with the Soviet draft to see whether it would be possible to bring them into conformity and set down principles under which the four military governors could work.

Further discussion of details again and again brought the western representatives face to face with a point of principle on which they had to repeat their position, reminding Mr. Molotov that while their governments were willing to accept Soviet currency as the sole currency in Berlin, they would not be willing to accept terms for the use of that currency which would endanger the financial and economic life of the city.

Smith repeated that it was quite useless to send any directive to the military governors unless there was agreement in Moscow on the basic issues. It would be equally useless to propose a vague and undefined directive to the three military governors which would still be obliged to obtain answers to the basic questions they had already raised. He repeated that there was no point in simply transferring to Berlin problems which it had not been possible to solve in Moscow through direct contact with Mr. Molotov.

The meeting was finally adjourned with Smith and his colleagues recording their disappointment at the lack of progress. Smith suggested that they study and report the results of the meeting to their governments in case they should have any final instructions or additional guidance. He said he would then ask for a final conference.

The Second Meeting with Stalin on August 23.

After considering the fruitless series of drafting meetings with Molotov, the three governments then decided to request another meeting with Stalin. This was held on August 23.

In preparation for it the three Governments had agreed upon a new draft to put before Stalin, embodying the points discussed in the first meeting with him, and taking into account the points raised meanwhile by Molotov in so far as these could be harmonized with the rights and duties of the Western occupation forces in Berlin. This draft took the form of a directive to the Military Governors in Berlin to work out the concrete means for implementing the principles with respect to currency and transport restrictions, together with a communiqué to be issued by the Moscow conferees on behalf of the four Governments, finalizing the arrangements worked out by the Military Governors.

Stalin began the meeting by producing a Soviet draft for this purpose which he said he had prepared after studying the reports of the drafting meetings with Molotov. Smith then produced the draft just mentioned, suggesting that Stalin read it while the Western representatives were reading the Soviet draft. Following a general discussion of the two drafts, Stalin withdrew from the meeting and Molotov and the Western representatives continued in drafting session to try to harmonize the two drafts.

During the discussion with Stalin, he and the Western representatives noted that the two drafts were in

many respects close to each other. Stalin thought, however, that the directive to the Commanders should contain more concrete wording with regard to safeguarding the Soviet Zone currency from depreciation. Smith pointed out that this point was covered in the Western draft. Stalin replied that it should be made more explicit. He also discussed the provision for the exchange of currency, and for the issue of currency thereafter by the German bank of issue of the Soviet Zone and for the establishment for these purposes of a financial commission composed of the four Commanders to control their practical implementation. He considered these points essential. He then added that it would also be desirable to have some indication in the draft of a postponement of the establishment of a Western German Government on the basis of the London decisions. On this point the Western representatives rested on the position which had already been made clear.

Smith then again reiterated the necessity for managing currency matters in Berlin on a basis which would provide absolute equality of control and would respect the juridical position of the Western Governments in Berlin. Stalin replied that if German unity were restored by confirming the decisions of previous four-power conferences, Berlin would remain the capital of Germany and then there would be no objection to the forces and authority of the three Western powers remaining in Berlin and sharing the control of the German Government in Berlin with the Soviet Union. If this did not happen, then Berlin would lose its standing as the capital of Germany. Smith expressed the hope that such

a situation would not arise and took occasion again to explain fully our view of the juridical position of the Western powers in Berlin. It was decided that drafting details should be worked out with Molotov with a view to finding a final wording for a directive to the Military Governors in Berlin, requesting them to report back their recommendations within about a week after the directive was issued to them.

Before Stalin withdrew, Ambassador Smith specifically took occasion to bring out clearly certain questions on which he wanted to get an unequivocal clarification of the Soviet position. With respect to transport restrictions, it is worth quoting the following excerpt from the transcript of the meeting of August 23 in Moscow:

"The U.S. Ambassador then asked if he could first query one or two points, for example, the Soviet wording with regard to the transport restrictions. Molotov remarked, after a certain amount of discussion, that the Soviet Government meant the restrictions imposed since the 18th of June. We indicated that this was unsatisfactory. Stalin then suggested that it might be better to say 'the restrictions lately imposed', and confirmed that if there were any imposed before that date they would also be lifted."

It was with this understanding, personally confirmed by Premier Stalin, that a Directive was ultimately sent to the Military Governors in Berlin to work out the technical arrangements necessary to give effect to the above agreement.

The principle of quadripartite supervision over the currency within the city of Berlin was an important issue in the discussion at Moscow. On this point Premier Stalin, during the discussion, gave the following confirmation of the interpretation to be placed on the language of the

Directive dealing with the powers of the Financial Committee:

"Stalin stated that the German Bank of Emission controlled the flow of currency throughout the whole of the Soviet zone, and it was impossible to exclude Berlin from the Soviet zone. However, if the question was asked whether it did so without being controlled itself, the answer was 'no'. Such control would be provided by the Financial Commission and by the four commanders in Berlin, who would work out the arrangements connected with the exchange of the currency and with the control of the provision of currency, and would supervise what the Bank was doing.

"Stalin said the Soviet draft had kept the word 'control' with reference to the Four-Power Finance Committee and the Soviet Government did not object to it. But from the point of view of financial science and political economy, it was impossible to exclude the German Bank of Emission from Berlin. To avoid abuse in its operations, the word 'control' had been included. The U.S. Ambassador then suggested that the mention of regulation by the German Bank of Emission should be made after the Financial Commission. Stalin replied that the subjects had been mentioned in the logical order and that the authority conducting the operations had been mentioned first and afterwards the body controlling this authority had been mentioned."

It was on this clear understanding of these points that Smith and his colleagues continued the discussion and drafting.


Stalin expressed persistent interest in having something said about the London decisions. He suggested insertion of the following or some similar wording:

"The question of the London decision was also discussed including the formation of a Western German Government. The discussion took place in an atmosphere of mutual understanding."

Smith said he would inform his government of Stalin's desire but did not anticipate that his government could accede to any such wording unless it were also made explicit that no agreement was reached on this subject since it was not considered a condition attaching to the lifting of transport restrictions.

The ensuing drafting meeting with Molotov elaborated a joint draft which was then submitted to the governments for consideration.

The United States Government, in expressing its views to Ambassador Smith, took occasion among other things to corroborate Smith's own view that a provision such as Stalin desired with respect to Western Germany would be open to misinterpretation and, therefore, could not be accepted. Any such provision should make clear that we do not refuse to discuss this point at some subsequent time but are not prepared to make any commitments whatsoever for postponement of the London



decisions in connection with the present negotiations. Smith was instructed to make this clear to the Soviet authorities and to agree at most to a statement that:

"During the conversations the Soviet Government expressed its wish that the implementation of the decisions of the London Conference should not result in the establishment of a Government for Western Germany before the representatives of the four powers had been able to meet to discuss the whole German problem. The representatives of the United States, the United Kingdom and France affirmed the desire of their Governments for a four-power agreement whereby a Government for the whole of Germany would be established. They explained that the London decisions did not preclude such an agreement and, while they were not able to agree to any postponement to the implementation of the London decisions, they would make a sincere endeavor to ascertain whether there is a real prospect of agreement among the four powers. Further discussion of this point was accordingly deferred."

In framing its further instructions to Ambassador Smith, this Government proceeded from the following basic requirements, upon which it had insisted from the beginning:

1. Insistence on our co-equal rights to be in Berlin;
2. No abandonment of our position with respect to Western Germany;
3. Unequivocal lifting of the blockade on communications, transport and commerce for goods and persons; and
4. Adequate quadripartite control of the issue and continued use in Berlin of the Soviet mark.

After the three Governments had consulted each other and instructed their respective representatives in Moscow, the latter met with Molotov and Vishinsky on August 27 and worked out the following drafts for the communiqué and directive under discussion:

"Communique

"The Governments of France, the United Kingdom, the United States and the USSR have agreed that the following measures under (A) and (B) shall be put into effect simultaneously, and have approved detailed arrangements for their implementation jointly worked out by the four military governors.

"(A) The restrictions which have recently been imposed on communications, transport and commerce between Berlin and the Western zones and between the various zones of Germany shall be lifted, and freedom of communications, transport and commerce shall be maintained.

"(B) The German mark of the Soviet zone shall be accepted, on the basis agreed between the four military governors, as the sole currency for Berlin and the Western mark 'B' shall be simultaneously withdrawn from circulation in Berlin.

"The four governments have also agreed that in addition to meetings of the four military governors, meetings among representatives of the four governments in the form of the Council of Foreign Ministers or other conferences of representatives of the four powers shall be held in the near future to discuss:

"(1) Any outstanding questions regarding Berlin, and (2) any other outstanding problems affecting Germany as a whole."

"Directive

"The Governments of France, the United Kingdom, the United States, and the USSR have decided that, subject to agreement being reached among the four military governors in Berlin for their practical implementation, the following steps shall be taken simultaneously:

"(A) Restrictions on communications, transport and commerce between Berlin and the Western zones and to and from the Soviet zone of Germany which have recently been imposed shall be lifted;

"(B) The German mark of the Soviet zone shall be introduced as the sole currency for Berlin, and the Western mark B shall be withdrawn from circulation in Berlin.

"In connection with the above you are instructed to consult together with your colleagues so as to make, in the shortest time possible, the detailed arrangements necessary for the implementation of these decisions, and to inform your government not later than September 17 of the results of your discussions, including the exact date on which the measures under (A) and (B) above can be brought into effect. The four military governors will work out arrangements involved in the introduction of the German mark of the Soviet zone in Berlin.

"The arrangements relating to the currency changeover and to the continued provision and use in Berlin of the German mark of the Soviet zone shall ensure:

"(a) No discrimination or action against holders of Western marks B in connection with the exchange of those Western marks issued in Berlin. These shall be accepted for exchange for German marks of the Soviet zone at the rate of one for one;

"(b) Equal treatment as to currency and provision of fully accessible banking and credit facilities throughout all sectors of Berlin. The four military governors are charged with providing adequate safeguards to prevent the use in Berlin of the German mark of the Soviet zone from leading to disorganizing currency circulation or disrupting the stability of currency in the Soviet zone;

"(c) A satisfactory basis for trade between Berlin and third countries and the Western zones of Germany. Modification of this agreed basis to be made only by agreement among the four military governors;

"(d) The provision of sufficient currency for budgetary purposes and for occupation costs, reduced to the greatest extent possible, and also the balancing of the Berlin budget.

"The regulation of currency circulation in Berlin is to be undertaken by the German bank of emission of the Soviet zone through the medium of the credit establishments operating at present in Berlin.

"A financial commission of representatives of the four military governors shall be set up to control the practical implementation of the financial arrangements indicated above, involved in the introduction and continued circulation of a single currency in Berlin."

During this discussion, as during previous ones Molotov endeavored again, without success, to insert some provision into the communiqué that would tie the hands of the Western Governments with respect to the London decisions. The most noteworthy feature of this particular conversation was that he reversed completely his former position that details about the currency should be settled and agreed in Moscow before any reference to the Military Governors in Berlin.




After a final review by the several Governments it was arranged with Molotov on August 30 that the directive to the military governors be dispatched to them by midnight calling for a report from them by September 7.

Although the directive was finally agreed and sent, it was not possible to reach final agreement on the ultimate draft communiqué, because Molotov still insisted on a final paragraph concerning the London decisions:

Smith told him that regardless of the finally agreed text; when the communiqué was made public we would be obliged to publish a statement that the agreement represented by it was entered into without prejudice to the co-equal rights, duties and obligations of the Western occupying powers in Berlin. Molotov's reply to this was that the position of the Soviet Government was well known and that it would undoubtedly make a similar public reservation.

The attitude of the Soviet representatives at this August 27 conference was less pleasant than hitherto. The Western representatives referred to the disturbed situation in Berlin and pointed out the desirability of maintaining a peaceful atmosphere during the deliberations of the Military Governors. Molotov declined to pursue the matter further, stating that the Soviet Military Governor already had his instructions. It was impossible to issue any interim communiqué to inform the public that technical questions were being referred to Berlin because Molotov refused to agree to any text for it except in his own terms.



He tried to extend the period for discussion in Berlin to September 10, being reluctant to agree to limit the discussions to one week ending September 7.

The directive finally dispatched to the Military Governors was one on which it might be possible to work out a solution of the technical details if the Soviet authorities did in fact wish to settle the Berlin crisis. Whether this was so remained to be seen during the course of the discussions in Berlin.



The Technical Discussions in Berlin.

On August 31 the four commanders and their staffs met for the first time to work out, under instructions from their governments, the implementation of the directive. They continued these meetings daily throughout the week allotted for the Berlin discussions.

It soon became apparent that Marshal Sokolovsky was not ready to honor the understandings reached in Moscow. During the course of the meetings it was evident that he was seeking to increase, rather than to decrease, the restrictions on transport, and also to eliminate any measure of quadripartite control over the German bank of issue for the Soviet Zone with respect to Berlin, and to assert for the Soviet Military Authority sole jurisdiction over the trade between Berlin and the western zones of Germany as well as third countries.


With respect to the transport restrictions, Sokolovsky began by declaring that he would agree to removal of only those restrictions imposed after June 18, the date of the currency reform. This position was taken in spite of Stalin's categorical statement on August 23 that under the final wording of the directive any restrictions imposed before that date would also be removed. Sokolovsky even endeavored to discuss the imposition of new restrictions on the existing air traffic. When the western commanders sought to discuss freedom of passage for military trains, the condition of the railroad tracks, and the need

of more paths, Sokolovsky began by declining to discuss rail traffic unless the western commanders would agree to discuss the imposition of new restrictions on the existing air traffic. General Clay and his colleagues refused to do this, pointing out that the directive referred only to the removal of existing restrictions, not to the imposition of new ones. In justifying his adherence to the date of June 18, Sokolovsky argued that since traffic restrictions were being removed in exchange for the currency provisions of the directive, the latter must refer only to traffic restrictions imposed after the western currency reform of June 18; he went on to say that traffic restrictions imposed before that date were connected with the London conference. He later receded from his initial position on this point, but continued to try to put new limitations on the existing air traffic.



With respect to the provisions of the directive concerning the currency itself, Sokolovsky took the position (despite the clear understanding confirmed by Stalin in Moscow), that the proposed four-power financial commission should have no authority whatever to control the operations of the German Bank of Issue with respect

to Berlin. Yet without such authority over the institution issuing, and promulgating regulations concerning, the currency of Berlin it is obvious that the financial commission would have been quite incapable of discharging the function assigned to it in the directive, i.e. controlling the practical implementation of the financial arrangements involved in the introduction and continued circulation of a single currency in Berlin. Sokolovsky's repudiation of the understanding reached on this point with Stalin in Moscow was sufficient in itself to frustrate any agreement upon genuine quadripartite administration of the currency of Berlin, quite aside from other differences which arose concerning the detailed financial arrangements for Berlin.



With respect to trade arrangements between Berlin and the western zones of Germany and third countries, Sokolovsky asserted for the Soviet authorities the exclusive right to control such trade. This claim obviously contradicted the clear meaning of the agreed directive to the four military governors, and in no way constituted a reasonable approach to the problem of working out a mutually "satisfactory basis" for the trade of Berlin.

Marshall Sokolovsky in Berlin thus took a position contrary to the explicit assurances given by Stalin in Moscow, with respect to transport restrictions, currency and trade. Moreover, he manifested increasingly an

attitude of indifference about the progress or failure of the negotiations.

The week of technical discussion in Berlin thus proved even more futile and frustrating than the month of negotiations in Moscow.

The military governors were unable to submit an agreed report; Marshal Sokolovsky remarked that there was nothing to report.



A New Aide Memoire.

The three governments therefore instructed their representatives in Moscow to deliver the following aide memoire to Stalin and Molotov:

"1. The Governments of France, the United Kingdom and the United States having received and studied reports from their Military Governors of the discussions in Berlin find it necessary to draw the attention of the Soviet Government to the fact that the position adopted by the Soviet Military Governor during the meetings in Berlin on a number of points deviate from the principles agreed at Moscow between the four Governments and contained in the agreed directive to the four Military Governors. As the Soviet Government is aware, the terms of this directive were finally agreed after long and careful consideration, and after clarifications as to interpretation had been received from the Soviet Government.

"2. The specific issues on which in the opinion of the Governments of France, the United Kingdom and the United States, the Soviet Military Governor has departed from the understandings reached at Moscow relate to: (1) restrictions on communications, transport and commerce between Berlin and the western zones; (2) the authority and functions of the financial commission, and in particular its relation to the German bank of emission; and (3) the control of the trade of Berlin.

"3. As to the first, the Soviet Military Governor has presented a proposal which falls outside the agreed principle that the restrictions which have recently been imposed on communications, transport and commerce be lifted. He has proposed that restrictions upon air traffic, not heretofore existing, should now be imposed, and in particular that air traffic to Berlin should be strictly limited to that necessary to meet the needs of the military forces of occupation.

"4. As the Soviet Government is aware, the directive makes no mention of air transport and this question was not discussed at Moscow. The directive reads: 'Restrictions on communications, transport, and commerce between Berlin and the western zones and to and from the Soviet zone of Germany which have recently been imposed shall be lifted.' There have been and are no such restrictions on air traffic. The purpose of the directive is to lift restrictions and not to impose new ones.

The proposal of the Soviet Commander-in-Chief, therefore, falls outside the scope of the present discussions and is unacceptable.

"5. Secondly, on the question of the authority and functions of the financial commission there should be not the slightest grounds for any misunderstanding. At the meeting on August 23 attended by Premier Stalin and Mr. Molotov and the representatives of the Governments of France, the United Kingdom and the United States, the intention of the directive in regard to the powers of the financial commission including its power to control the operations in Berlin of the German bank of emission was clearly and specifically confirmed by Premier Stalin. The Soviet Military Governor has refused to accept both the meaning of the directive and the clear understanding of the Four Powers reached at Moscow.

"6. Thirdly, there is the question of the control of the trade of Berlin. The position of the Soviet Military Governor during the discussions in Berlin in regard to matters relating to the control of trade between Berlin and the western zones of Germany amounts to a claim for exclusive Soviet authority over such matters. Such a claim is a contradiction of the spirit and meaning of the directive to the four Military Governors to which the four Governments gave their approval and is therefore unacceptable.

"7. In bringing these major points of difference to the notice of the Soviet Government, the Governments of United States, the United Kingdom and France do not wish to imply that these are the only points of difference which have arisen during the conversations in Berlin.

"8. The Governments of France, the United Kingdom and the United States have understood clearly the principles agreed to in Moscow and the assurances given by Premier Stalin. Their Military Governors in Berlin have acted in accordance with those principles and assurances. The position taken by the Soviet Military Governor, on the contrary, has constituted a departure from what was agreed in Moscow and strikes at the very foundation upon which these discussions were undertaken. The divergencies which have accordingly arisen on these questions are so serious that the Governments of France, the United Kingdom and the United States feel compelled to inquire whether the Soviet Government is prepared to affirm the understandings outlined herein and to issue the necessary instructions to the Soviet Military Governor, confirming the agreed intention of the directive in regard to

"(a) the lifting of all restrictions on communications, transport and commerce imposed after March 30, 1948, without imposition of any new air or other restrictions; and

"(b) the control by the financial commission of the financial arrangements contemplated in the agreed directive, including control of the operations of the bank of emission with respect to Berlin as specifically confirmed by Premier Stalin; and

"(c) a satisfactory basis for trade between Berlin and third countries and the western zones of Germany in accordance with an agreement to be reached between the four Military Governors which does not involve the unilateral control of such trade by the Soviet Trade Administration and which recognizes the right of each of the occupying powers to import in fulfillment of their respective responsibilities, and to control the proceeds from, food and fuel imported for the use of the Berlin population and industry.

"They believe that only if the steps proposed in the aide memoire are taken would it be possible for the Military Governors to continue their discussions."



Stalin being out of town and unavailable, this aide-memoire was delivered to Mr. Molotov by the three western envoys on September 14.

Molotov expressed the view that progress could be facilitated if, instead of an immediate exchange of communications at the government level, the military governors were first to prepare an agreed report of their discussions; and he proposed that they be given two days to do this. The western envoys pointed out that the military governors had already found it impossible to agree on such a joint report. Molotov then reluctantly agreed to submit the aide-memoire to his Government for study and reply.

On September 18, Mr. Molotov invited the western envoys to the Kremlin and handed them the Soviet Government's reply, which was likewise in the form of an aide-memoire. The text was as follows:

"1. The Government of the USSR has acquainted itself with the aide memoire dated September 14 last of the Governments of France, the United Kingdom and the US, which gives a unilateral account of the course of discussions between the four Military Governors in Berlin and which presents incorrectly the position adopted by the Soviet Military Government during those discussions.

"The Soviet Government believes that consideration of the difference referred to in the said aide memoire, which arose during the Berlin discussions in regard to the interpretation of the directive to the Military Governors would have been facilitated and expedited had the four Military Governors submitted to their governments a joint report with an account of the course of discussions. In that event the discussions in Moscow would not have been based on any unilateral communications but on an accurate statement of the positions adopted by all four Military Governors both on points already agreed between them and on points left outstanding. Since, however, the representatives

Footnote to Paragraph 2 of Soviet aide memoire presented on September 18, as reproduced on opposite page:

The facts with respect to the Control Council's November 30, 1945 decision are as follows:

During the discussions prior to the establishment of air corridors in 1945 the Soviet Military Authorities in Berlin had in fact suggested that the traffic in the corridors should be limited to the needs of the military forces. The Allied Control Authority (Allied Control Council) did not accept this Soviet proposal and the traffic in the corridors has since then been subject only to agreed safety regulations. No restrictions whatever were in existence on the use by aircraft of the occupying powers of air communications in the corridors between Berlin and the Western Zones of Germany on or before March 30, 1948.

This fact was specifically pointed out to Mr. Molotov by the British envoy, Mr. Roberts, immediately upon the receipt and reading of the aide-memoire handed to the Western representatives by Mr. Molotov on September 18, 1948.

of the three governments, have refused to follow that method of discussion, the Soviet Government finds it necessary to reply to the questions raised in the aide memoire.

"The aide memoire of September 14 refers to the following 3 questions: (1) Restrictions on communications, transport and commerce between Berlin and the Western zones; (2) the authority and functions of the financial commission, and in particular its relation to the German Bank of Emission; (3) the control of the trade of Berlin. At the same time it is asserted that the Soviet Military Governor allegedly deviated from the understanding reached on these questions in Moscow.

"The Soviet Government believes this assertion to be without foundation because during the Berlin discussions the Soviet Military Governor strictly followed the agreed directive and the clarifications which had been given by Soviet Government when it was being drawn up in Moscow. Study by the Soviet Government of all materials relating to the Berlin discussions has shown that the reason for the differences which arose during the Berlin discussions lies in the desire of the US, the UK and the French Military Governors to interpret the directive agreed upon in Moscow in a unilateral manner and to give it an interpretation which had not been implied when it was being drawn up and which constitutes a violation of the directive, and with this the Soviet Government is unable to agree.

"2. The directive to the four Military Governors states the following in regard to the first question referred to in the aide memoire of September 14: 'restrictions on communications, transport and commerce between Berlin and the Western zones and on the traffic of goods to and from the Soviet zone of Germany which have recently been imposed shall be lifted.'

"The concrete proposals submitted by the Soviet Military Governor on this point are in full conformity with the directive and have for their purpose the lifting of all restrictions on communications, transport and commerce, which have been imposed after March 30, 1948, as was stipulated when the directive was drawn up. During consideration of this question the Soviet Military Governor pointed to the necessity of the other three Military Governors complying strictly with the regulations imposed by the Control Council's decision of November 30, 1945 on air traffic for the needs of the occupation forces and this had never been disputed by any of the Military Governors since the adoption of these regulations three years ago. There is no foundation whatsoever for regarding this justified demand of the Soviet Military Governor as an imposition of new restrictions on

air traffic, because these regulations had been imposed as far back as 1945 and not after March 30, 1948. Nevertheless, the USA has attempted to deny the necessity of observing the regulations which had been imposed by the Control Council on air traffic of the occupation forces and which remain in force to this very day.

"In view of the above, the Soviet Government believes that the position of the Soviet Military Governor on this question is absolutely correct, while the position of the USA Military Governor, far from being based on the agreed directive, is in contradiction with it. An interpretation to the contrary might lead to an arbitrary denial of any decision previously agreed upon by the Control Council, and to this the Soviet Government cannot give its assent.

"3. The directive to the Military Governors also contains a clear statement regarding the authority and functions of the Financial Commission and regarding the German Bank of Emission: (There followed the text of this portion of the directive, as given above on pages 58 and 59).

"This directive was drawn up in full conformity with the preliminary clarifications on this matter made by Premier J.V. Stalin on August 23, and referred to in the above-mentioned aide memoire.

"It will be seen from the above text that the authority and functions of the financial commission and of the German Bank of Emission are precisely laid down in the directive, and it was by this that the Soviet Military Governor was guided. According to that directive and to the understanding reached in Moscow by the four Powers, the financial commission should not exercise control over all operations of the Bank of Emission in regard to Berlin, but only over those operations of the Bank of Emission in Berlin which are specifically provided for in paragraphs (A), (B), (C), and (D) of the directive. The proposal to establish control of the financial commission over the whole activity of the German Bank of Emission in Berlin was not accepted during the discussion of this question in Moscow because this would have lead to such interference on the part of the financial commission in matters of the regulation of currency circulation as is incompatible with the Soviet Administration's responsibility for the regulation of currency circulation in the Soviet zone of occupation.

"Accordingly, the Soviet Government cannot agree to the incorrect interpretation of the agreed directive given in the aide memoire of the Government of France, the UK and the USA, and believes it necessary that the directive should be strictly followed.

"4. As to trade, the previously agreed directive is confined to an instruction to the Military Governors to work out a satisfactory basis for trade between Berlin and third countries and the Western zone of Germany. It will be recalled that on August 23 during the discussions in Moscow, the Soviet Government submitted a definite proposal on this subject, but the question was not considered in detail and was referred to the Military Governors for discussion.

"The proposals on this subject made by the Soviet Military Governor give no reason to assert that they are a contradiction of the spirit and meaning of the agreed directive. On the contrary, the intention of those proposals is to have the directive fulfilled in accordance with the agreements reached in Moscow.

"However, for the purpose of expediting the drawing up of practical arrangements in Berlin the Soviet Government proposes that the Military Governors be given more detailed instructions on this matter than those contained in the agreed directive. The Soviet Government agrees to have trade between Berlin and third countries and the Western zones of Germany placed under the control of the quadripartite financial commission, which control should provide at the same time for the maintenance of the existing procedure regarding the traffic of goods in and out of Berlin under license of the Soviet Military Administration. The Soviet Government believes that such an instruction would be of help in the drawing up of a concrete agreement on matters of trade with Berlin.

"5. The Soviet Government believes that discussions between the Military Governors in Berlin can yield positive results only in the event that all the Military Governors follow strictly the directives and instructions agreed between the Governments of France, the UK, the US and the USSR."

The western envoys, after reading this document, stated that they would submit it to their governments for consideration, but warned that it would scarcely be acceptable.

After studying the reply just quoted, the three governments delivered to the Soviet Embassies in Washington, London and Paris on September 22, 1948, identical third person notes in the following text:

"(1) The Government of the United States, together with the Governments of France and the United Kingdom, has now reviewed the discussions which have taken place on the Berlin situation and which have culminated in the Soviet reply of September 18 to the aide-memoire of the three Governments of September 14, 1948.

"(2) The three Governments find that the Soviet unwillingness to accept previous agreements, to which reference is made in their aide-memoire of September 14, is still preventing a settlement. The reply of the Soviet Government in its aide-memoire of September 18 is unsatisfactory.

"(3) The final position of the three Governments on the specific points at issue is as follows:

- (A) They cannot accept the imposition of any restrictions on air traffic between Berlin and the Western zones.
- (B) They insist that the Finance Commission must control the activities of the German Bank of Emission of the Soviet zone in so far as they relate to the financial arrangements for the introduction and continued use of the Soviet zone mark as the sole currency in the city of Berlin.
- (C) They insist that trade between Berlin and the Western zones and other countries must be under quadripartite control, including the issuance of licenses.


"(4) After more than six weeks of discussion, the Governments of the United States, France and the United Kingdom feel that the Soviet Government is now fully acquainted with the position of the three Governments, and that further discussions on the present basis would be useless.

"(5) It is clear that the difficulties that have arisen in the attempts to arrive at practical arrangements which would restore normal conditions in Berlin derive not from technical matters but from a fundamental difference of views between the Governments of the United States, France and the United Kingdom, and the Soviet Government as to the rights and obligations of the occupying powers in Berlin, their right to have access by air, rail, water and road to Berlin and to

participate in the administration of the affairs of the city of Berlin. The blockade imposed by the Soviet authorities together with other of their acts in Berlin are in violation of the rights of the three Western occupying powers.

"(6) Accordingly the Government of the United States, in agreement with the Governments of France and the United Kingdom, asks the Soviet Government whether, in order to create conditions which would permit a continuance of discussions, it is now prepared to remove the blockade measures, thus restoring the right of the three Western occupying powers to free communications by rail, water, and road, and to specify the date on which this will be done,

"(7) The Foreign Ministers of the three Governments will be meeting shortly in Paris, and they will be glad to have the reply of the Soviet Government as soon as possible."



Soviet Note of September 25

On September 25, the Soviet Ambassador in Washington delivered to the Acting Secretary of State the following reply of the Soviet Government to the third person note of September 22, 1948:

"1. The Government of the Union of Soviet Socialist Republics has acquainted itself with the note of the Government of the USA of September 22, 1948 concerning the negotiations of the four powers which have taken place in Moscow and Berlin on the question of the introduction of the German mark of the Soviet zone as the sole currency in Berlin and concerning the removal of the restrictions on communications, transport and trade between Berlin and the western zones of Germany.

"In connection with this the Soviet Government considers it necessary to declare that the position taken by the Government of the USA not only does not facilitate but on the contrary complicates the reaching of agreement concerning the settlement of the situation which has arisen in Berlin as a result of carrying out of a separate currency reform and the introduction of a separate currency in the western zones of Germany and in the western sectors of Berlin, which constituted an extreme and most far reaching measure in execution of the policy of partitioning Germany being carried out by the Governments of the USA, Great Britain and France.

"2. In its note the Government of the USA refers to three disputed questions which were mentioned by the Governments of the USA, Great Britain and France in the aide memoire of September 14 and by the Government of the USSR in the aide memoire of September 18, 1948.

"The Government of the United States of America states that the continuation of the negotiations on the above-mentioned questions on the present basis would be useless and considers that in order to create the conditions which would permit a continuation of the negotiations, there would have to be a removal of the temporary transport restrictions between Berlin and the western zones which were introduced by the Soviet Command for the purpose of protecting the interests of the German population as well as the economy of the Soviet zone of occupation and of Berlin itself.

"Such a statement of the Government of the USA is in direct conflict with the agreement reached on August 30 in Moscow between the four governments (the directive to the Military Governors), in which it was stated:

"The Governments of France, the United Kingdom, the United States, and the USSR have decided that, subject to agreement being reached among the four military governors in Berlin for their practical implementation, the following steps shall be taken simultaneously:

"(a) Restrictions on communications, transport and commerce between Berlin and the western zones, and also on the movement of cargoes to and from the Soviet zone of Germany, which have recently been imposed, shall be lifted;

"(b) The German mark of the Soviet zone shall be introduced as the sole currency for Berlin, and the Western mark B shall be withdrawn from circulation in Berlin."

"From the text of the agreement cited above it is evident that the four governments agreed during the negotiations in Moscow on the simultaneous lifting of restrictions on trade and communications between Berlin and the western zones and introduction of the German mark of the Soviet zone as the sole currency in Berlin. The Soviet Government insists on this, since the situation created by the separate measures of the western powers means that the three governments are not limiting themselves to their sovereign administration of the western zones of Germany but wish at the same time to administer in currency and financial matters the Soviet zone of occupation as well, by means of introducing into Berlin, which is in the center of the Soviet zone, their separate currency and thus disrupting the economy of the eastern zone of Germany and in the last analysis forcing the USSR to withdraw therefrom.

"The Soviet Government considers it necessary that the agreement reached in Moscow be carried out and considers that further negotiations can be successful only in the event that the other three governments likewise observe that agreement. If the Government of the USA repudiates the agreement reached on August 30, only one conclusion can be drawn therefrom: namely, that the Government of the USA does not wish any agreement between the USSR, the USA, Great Britain and France for the settlement of the situation in Berlin.

"3. Inasmuch as the position of the Governments of the USA, Great Britain and France on the three disputed points was set forth in the note of September 22, the Soviet Government considers it necessary to do likewise;

"A) As regards air communication between Berlin and the western zones, the establishment by the Soviet Command of a control over the transport of commercial cargoes and passengers is just as necessary

in this case as in the case of railway, water and highway transport. The air routes cannot remain uncontrolled, since an understanding has been reached between the four governments to the effect that the agreement must envisage the establishment of a corresponding control over currency circulation in Berlin and the trade of Berlin with the western zones,

"B) In the directive to the Military Governors adopted by the four governments on August 30th the functions of control by the four power financial commission of the execution of financial measures connected with the introduction and circulation of a single currency in Berlin were explicitly provided for.

"The Soviet Government considers it necessary that this agreement be carried out, including the maximum reduction of occupation costs in Berlin and the establishment of a balanced budget in Berlin (not considered up to this time in the Berlin conversations), which were provided for in that agreement.

"C) The Soviet Government has already expressed its agreement that trade between Berlin, third countries and the western zones of Germany should be placed under the control of the four power financial commission. The Soviet Government now declares its readiness to agree to the establishment of four power control likewise over the issuance of import and export licenses, provided agreement is reached on all other questions.

"4. Thus the reaching of agreement about the situation in Berlin now depends above all on whether the Governments of Great Britain, the United States of America and France are seeking such agreement."

